



F B McArdle
Chief Executive
South Derbyshire District Council,
Civic Offices, Civic Way,
Swadlincote, Derbyshire DE11 0AH.

www.southderbyshire.gov.uk

@SDDC on Twitter
@southderbyshiredc on Facebook

Please ask for Democratic Services

Phone (01283) 595722/ 595848
Typetalk 18001
DX 23912 Swadlincote
Democraticservices@southderbyshire.gov.uk

Our Ref
Your Ref

Date: 15th February 2022

Dear Councillor

,
Council

YOU ARE HEREBY SUMMONED to attend the Meeting of the **Council** to be held at **Council Chamber**, Civic Offices, Civic Way, Swadlincote, on **Wednesday, 23 February 2022** at **18:00** to transact the business set out on the attached agenda.

Yours faithfully,

Chief Executive

To:-

Labour Group

Councillor Gee (Chair), Councillor Dunn (Vice-Chair) and
Councillors Bambrick, Heath, Mulgrew, Pearson, Pegg, Rhind, Richards, Shepherd,
Singh, Southerd, Stuart, Taylor and Tilley.

Conservative Group

Councillors Ackroyd, Atkin, Bridgen, Brown, Corbin, Ford, Haines, Hewlett, Lemmon,
Muller, Patten, Redfern, Smith and Watson.

Independent Group

Councillors Angliss, Dawson, Fitzpatrick, MacPherson and Roberts.

Non-Grouped

Councillors Churchill and Wheelton.



AGENDA
Open to Public and Press

1	Apologies	
2	To confirm the Open Minutes of the following Council Meetings held on 20th January 2022	4 - 10
3	To note any declarations of interest arising from any items on the Agenda	
4	To receive any announcements from the Chair, Leader and Head of Paid Service.	
5	To receive any questions by members of the public pursuant to Council Procedure Rule No.10.	
6	To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.	
7	To consider any notices of motion in order of which they have been received.	
8	SOCIAL HOUSING DECARBONISATION GRANT	11 - 43
9	PROPOSED REVISED COUNCIL TAX REDUCTION SCHEME 2022 – 2023 & CONSULTATION FEEDBACK	44 - 49
10	CAPITAL STRATEGY 2021-22 TO 2026-27	50 - 62
11	TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2022-23	63 - 90
12	ANNUAL REPORT OF THE SECTION 151 OFFICER	91 - 100
13	BUDGET AND COUNCIL TAX SETTING 2022-23	101 - 123

- 14** To note the Open Minutes of the following South Derbyshire Community Meeting:
- Etwall - Area 1 14th December 2021 **124 - 134**
- 15** To receive and consider the Open Minutes of the following Committees:
- Etwall Joint Management Committee 12th January 2022 **135 - 137**
- 16** To review the compositions of Committees, Sub-Committees and Working Panels.
- 17** To review the compositions of Substitute Panels.
- 18** To review representation on Outside Bodies.
- 19** To review Member Champions.

Exclusion of the Public and Press:

- 20** 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.
- 21** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.

MINUTES of the COUNCIL MEETING of the
SOUTH DERBYSHIRE DISTRICT COUNCIL
held at the Council Chamber, Swadlincote
on Thursday, 20th January 2022
at 6.00pm

PRESENT:

Labour Group

Councillor Gee (Chair) and Councillor Dunn (Vice-Chair) and
Councillors Bambrick, Heath, Mulgrew, Pearson, Pegg, Rhind, Richards,
Shepherd, Singh, Southerd, Stuart, Taylor and Tilley.

Conservative Group

Councillors Ackroyd, Atkin, Bridgen, Brown, Corbin, Ford, Haines, Hewlett,
Lemmon, Muller, Patten, Redfern, Smith and Watson.

Independent Group

Councillors Angliss, Dawson, Fitzpatrick, MacPherson and Roberts.

Non-Grouped

Councillor Wheelton
Councillor Churchill

A Minute's silence was held in memory of Adrian Lowery and Kath Lauro.
The Chief Executive, the Leader of the Council and Leaders of the
Conservative and Independent Groups paid their respects to Adrian Lowery.

Jack Lowery attended the Council Meeting and the Chair of the Council
presented him with a coat of arms in memory of Adrian.

CL/84 **APOLOGIES**

Council was informed that no apologies for absence had been received

CL/85 **INSPECTOR MIKE SISSMAN INTRODUCTION**

Inspector Mike Sissman introduced himself to Council, as the new local Police
Inspector and gave a brief history of his policing career. He assured Members
of his commitment to serve the local community and forge good partnership
working with south Derbyshire District Council Officers and Members. Inspector
Mike Sissman informed Council of his intention to keep them updated on a
regular basis

The Chair of the Council thanked the Inspector for his support during the
Snowman and Snow Dog Trail over the Christmas period.

Members thanked the Inspector for introducing himself and for the good work being carried, in particular knife and youth crime, Domestic Abuse and Child Protection.

CL/86 **TO CONFIRM THE OPEN MINUTES OF THE COUNCIL MEETINGS**

The Open Minutes of the Council Meetings held on the 4th November 2021 (CL/62-CL/83) were approved as a true record.

Under Rule 16.5 of the Council Procedure rules Members requested that a recorded vote be taken.

The Members who voted in favour of the minutes above were:

Councillors: Angliss, Atkin, Ackroyd, Bambrick, Bridgen, Brown, Churchill Corbin, Dawson, Dunn, Fitzpatrick, Ford, Gee, Haines, Heath, Hewlett, Lemmon, MacPherson, Mulgrew, Muller, Patten, Pearson, Pegg, Redfern, Rhind, Richards, Roberts, Shepherd, Singh, Smith, Southerd, Stuart, Taylor Tilley, Watson and Wheelton

CL/87 **DECLARATIONS OF INTEREST**

Council was informed that no declarations of interest had been received

CL/88 **ANNOUNCEMENTS FROM THE CHAIR**

The Chair of the Council addressed Members and updated them on his attendance at various events during the Christmas period which included the Merry Christmas Stories at the Snowdome, the Snowman and the Snow Dog Trail in Swadlincote, the Belmont School Carol Service and a Tree Planting Ceremony at Cadley Care Home. A short video was presented to Council highlighting the many events that took place during this period.

CL/89 **ANNOUNCEMENTS FROM THE LEADER**

The Leader of the Council announced how the pension credit campaign had exceeded expectations and that the fly tipping fines imposed by courts had impacted positively with December 2021 having the lowest number of incidents in the last 11 years. The Snowman and Snow Dog Trail in Swadlincote had been hailed as a great success and all those concerned were thanked by the Leader. Members were informed that the Freeport was progressing and that the Final Business Case was expected to be circulated on 31st January 2022.

CL/90 **ANNOUNCEMENTS FROM THE HEAD OF PAID SERVICE**

The Head of Paid Service informed the Council that he and the Leader would send a letter of condolence to Ken Walker on the passing of his wife, Freda. Members were informed that a Freeport Report would be presented at the 10th February 2022 Finance and Management Committee. The Head of Paid Service informed Members of the success of the online Community Area Meetings and that an update report would be brought to Council following another round of online meetings.

CL/91 **QUESTIONS BY MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO. 10**

Council was informed that no questions had been received.

CL/92 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

Council was informed that no questions had been received

CL/93 **TO CONSIDER ANY NOTICES OF MOTION**

In Accordance with Council Procedure Rule No. 12 Councillor Fitzpatrick moved the following motion:

At the Annual Council of May 2021, Councillor Richards brought forward a motion to allow Special Responsibility Allowances to be awarded to a second opposition groups at SDDC. A late amendment to his own proposal saw a clause being added that only groups registered as political parties at the Electoral Commission would be liable for such SRA's.

When this motion came before full council in November 2021 for ratification, the South Derbyshire Independent Group stated clearly that the proposal had introduced a clear inequality to the Council, that being that Independent Councillors who wished to form an opposition group at SDDC were to be treated differently to those Councillors who may belong to a political party recognised by the Electoral Commission. To our group this was a clear case of "all Councillors are equal, but some are more equal than others." Despite our arguments that ratification was passed and became part of the SDDC Rules.

Having never asked for this rule change and stating before full council that if SRA's were offered to our members under the rule change that they would rescind or donate such payments to charity, our Group cannot stand by and allow a clear inequality to exist at the heart of this council.

Whatever the best intentions of Councillor Richards motion were, in our opinion those intentions have been betrayed by the introduction of inequality into our Council and it is for that reason only that our Group are bringing this vote of no confidence in his leadership of this council.

Councillor Richards opposed the motion that sought to bring about political change of a decision approved by Annual Council in May 2021 and asked Members to consider the evidence when making their decision.

Councillor Churchill supported the Leadership of the Council and did not agree with the content of the proposed motion.

Councillor Bridgen noted it was the responsibility of Council to always act with honesty, integrity and in the best interests of the Local Authority and went on to praise the work that had been undertaken by the Leader of the Council

RESOLVED:

The Council did not approve a vote of no confidence in Councillor Richards' leadership of the Council.

Under Rule 16.5 of the Council Procedure rules Members requested that a recorded vote be taken.

The Members who voted in favour of the above resolution were:

Councillors: Angliss, Dawson, Fitzpatrick, MacPherson and Roberts.

The Members who voted against the above resolution were:

Councillors Bambrick, Churchill, Dunn, Gee, Heath, Mulgrew, Pearson, Pegg, Rhind, Richards, Shepherd, Singh, Southerd, Stuart, Taylor Tilley and Wheelton

The Members who abstained were:

Councillors Atkin, Ackroyd, Bridgen, Brown, Corbin, Ford, Haines, Hewlett, Lemmon, Muller, Patten, Redfern, Smith and Watson

CL/94 **GAMBLING ACT 2005 POLICY**

The Senior Licensing Officer presented the report to Council and outlined minor changes following consultation. Members were informed that the report had been approved by the Environmental and Development Services Committee in November 2021

RESOLVED:

That Members approved the Council's Gambling Act 2005 Statement of Licensing Policy ("the Policy") and Local Area Profile Plan.

CL/95 **APPOINTMENT OF AN EXTERNAL AUDITOR 2023/24 TO 2021/28**

The Strategic Director (Corporate Resources) presented the report to Council that had been considered by the Audit Sub-Committee and requested full Council approval to continue with the appointment and explained that a decision was required before March 2022. It was explained that the National Framework was considered the best and most cost effective route for the Council

Councillor Watson, as a former Chair of Finance and Management Committee and Councillor Dunn as the Chair of Audit Sub-Committee fully supported the proposal.

RESOLVED:

Members approved that the Council should opt into the national procurement framework for the appointment of its External Auditor from the financial year 2023/24.

CL/96 **TO RECEIVE AND CONSIDER THE OPEN MINUTES OF THE FOLLOWING COMMITTEE MEETINGS:**

<u>Committee</u>	<u>Date</u>	<u>Minutes No's</u>
Etwell Joint Management Committee	06.01.21	EL/08-EL/12
Planning Committee	01.06.21	PL/01-PL/12
Planning Committee	22.06.21	PL/13-PL/23
Audit Sub Committee	28.06.21	AS/01-AS/14
Overview & Scrutiny Committee	01.09.21	OS/01-OS/07
Audit Sub Committee	08.09.21	AS/15-AS/23
Etwell Joint Management Committee	22.09.21	EL/01-EL/06
Environmental & Development Services Committee	23.09.21	EDS/138-EDS/145
Housing & Community Services Committee	30.09.21	HCS/30-HCS/37
Finance & Management Committee	07.10.21	FM/62-FM/71
Overview & Scrutiny Committee	13.10.21	OS/08-OS/17
Finance & Management Committee	21.10.21	FM/76-FM/84
Environmental & Development Services Committee	11.11.21	EDS/147-EDS/159
Housing & Community Services Committee	18.11.21	HCS/42-HCS/53
Finance & Management Committee	25.11.21	FM/90-FM/105
Audit Sub Committee	08.12.21	AS/24-AS/37

RESOLVED:

That the above Committee Meetings Open Minutes were received and approved as a true record.

CL/97 **POLITICAL PROPORTIONALITY**

The Head of Legal and Democratic Services presented the report to Council and sought approval of the recommendations and allocation of seats as per Annexe A of the report.

RESOLVED:

- 1.1 That Council approved and adopted the recommended allocation of seats to the Political Groups and Non-Grouped Members for the remainder of municipal year 2021/22.***
- 1.2 That Council allocated seats between the Political Groups and Non-Grouped Members as set out at Annexe 'A'.***

CL/98 TO REVIEW THE COMPOSITIONS OF COMMITTEES, SUB-COMMITTEES, AND WORKING PANELS

The Members reviewed the composition of Committees, Sub-Committees and Working Panels 2021-22 for the Labour Group, the Independent Group and the Non-Grouped Members.

Councillor Bridgen advised Council that she would submit in writing the Conservative Group Members for Committees, Sub-Committees and Working Panels.

RESOLVED:

- (1) That the amendments of Members to serve on Committees, Sub-Committees and Working Panels for the remainder of the Municipal year, as set out at Annexe “B” to these Minutes be received and noted.***
- (2) That the amendments of Chairs and Vice-Chairs be received and noted as indicated in Annexe B” to these Minutes.***

CL/99 TO REVIEW THE COMPOSITIONS OF THE SUBSTITUTE PANELS

The Members reviewed the composition of Substitute Panels 2021-22 for the Labour Group, the Independent Group and the Non-Grouped.

Councillor Bridgen advised Council that she would submit in writing the Conservative Group Members for Substitute Panels.

RESOLVED:***1******That the amendments of Members to serve on Substitute Panels, as set out at Annexe “C” to these Minutes, be received and noted.*****CL/100 TO REVIEW REPRESENTATION ON OUTSIDE BODIES**

Members reviewed the Outside Bodies representation list.

RESOLVED:***Council noted the following changes to the representation on Outside Bodies:*****East Midlands Airport Liaison Committee*****Councillor S Taylor******Councillor Pegg******Councillor Hewlett******Councillor Churchill & Substitute Councillor Haines***

CL/101 TO REVIEW MEMBER CHAMPIONS

Members reviewed the Representation of Member Champions.

RESOLVED:

Council was informed no amendments were to be made.

CL/102 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 for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined under the paragraphs of Part 1 of Schedule 12A of the Act as indicated in the reports of Committees.

CL/103 EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NUMBER 11

Council was informed that no questions had been received.

CL/104 TO RECEIVE AND CONSIDER THE EXEMPT MINUTES OF THE FOLLOWING COMMITTEE MEETINGS:

<u>Committee</u>	<u>Date</u>	<u>Minutes No's</u>
Environmental & Development Services Committee	23.09.21	EDS/147-EDS/148
Housing & Community Services Committee	30.09.21	HCS/38-HSC/41
Finance & Management Committee	07.10.21	FM/72-FM75
Finance & Management Committee	21.10.21	FM/85-FM/89
Housing & Community Services Committee	18.11.21	HCS/54-HCS/56
Finance & Management Committee	25.11.21	FM/106-FM/110

RESOLVED:

That the above Committee Meetings exempt minutes were received and approved as a true record.

The meeting terminated at hours 19:30 hrs

COUNCILLOR M GEE

COMPOSITION OF COMMITTEES, SUB-COMMITTEES AND WORKING PANELS

2021/22

FINANCE AND MANAGEMENT COMMITTEE (13)

Labour Group (5)

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

Conservative Group (5)

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson

Independent Group (2)

Councillors Fitzpatrick and Roberts

Non-Grouped (1)

Councillor Wheelton

ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE (13)

Labour Group (5)

Councillor Taylor (Chair), Councillor Pegg (Vice-Chair)
Councillors, Heath, Singh, and Southerd

Conservative Group (5)

Councillors Brown, Corbin, Haines, Redfern and Smith

Independent Group (2)

Councillors Fitzpatrick and MacPherson

Non-Grouped (1)

Councillor Amy Wheelton

HOUSING AND COMMUNITY SERVICES COMMITTEE (13)

Labour Group (5)

Councillor Rhind (Chair), Councillor Mulgrew (Vice-Chair)
Councillors Dunn, Richards and Shepherd.

Conservative Group (5)

Councillors Ackroyd, Corbin, Ford, Haines and Smith

Independent Group (2)

Councillors Dawson and Roberts

Non-Grouped (1)

Councillor Churchill

PLANNING COMMITTEE (13)

Labour Group (5)

Councillor Tilley (Chair), Councillor Shepherd (Vice-Chair)
Councillors Gee, Pearson and Southerd

Conservative Group (5)

Councillors Bridgen, Brown, Lemmon, Muller and Watson

Independent Group (2)

Councillors Dawson and MacPherson

Non-Grouped (1)

Councillor Amy Wheelton

LICENSING AND APPEALS COMMITTEE (15)

Labour Group (6)

Councillor Gee (Chair)
Councillors, Dunn, Rhind, Richards, Southerd and Taylor

Conservative Group (6)

Councillors Bridgen, Haines, Hewlett, Patten, Redfern and Watson

Independent Group (2)

Councillors Dawson and Angliss

Non-Grouped (1)

Councillor Churchill

OVERVIEW AND SCRUTINY COMMITTEE (8)

Labour Group (4)

Councillor Bambrick (Chair), Councillor Stuart (Vice-Chair)
Councillor Gee and vacancy

Conservative Group (3)

Councillors Atkin, Hewlett and Patten

Independent Group (1)

Councillor Roberts

STANDARDS COMMITTEE (6)

Labour Group (3)

Councillors Pearson, Singh and Southerd

Conservative Group (2)

Councillors Muller and Redfern

Independent Group (1)

Councillor MacPherson

JOINT CONSULTATIVE COMMITTEE (5)

Labour Group (2)

Councillors Richards and Southerd

Conservative Group (2)

Councillors Ford and Muller

Independent Group (1)

Councillor Fitzpatrick

ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE (3)

Labour Group (2)

Councillor Shepherd (Chair)
Councillor Singh

Conservative Group (1)

Councillor Muller

AUDIT SUB-COMMITTEE (5)

Labour Group (2)

Councillor Dunn (Chair), Councillor Shepherd (Vice-Chair)

Conservative Group (2)

Councillors Atkin and Ford

Independent Group (1)

Councillor Angliss

HERITAGE GRANTS SUB-COMMITTEE (4)

Labour Group (2)

Councillors Southerd and Taylor

Conservative Group (2)

Councillors Hewlett

**COMMUNITY AND ENVIRONMENT PARTNERSHIP GRANT SCHEME
ASSESSMENT PANEL (5)**

Labour Group (2)

Councillors Rhind and Shepherd

Conservative Group (2)

Councillors Corbin and Haines

Independent Group (1)

Councillor Roberts

SUBSTITUTE PANELS 2021/22

FINANCE AND MANAGEMENT COMMITTEE

Labour Group (5)

Councillors Heath, Gee, Mulgrew, Pegg and Stuart

Conservative Group (5)

Councillors Brown, Corbin, Haines, Muller and Smith

Independent Group (2)

Councillor Dawson and MacPherson

ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE

Labour Group (5)

Councillors Dunn, Rhind, Richards, Shepherd and Tilley.

Conservative Group (5)

Councillors Ackroyd, Bridgen, Lemmon, Muller and Watson

Independent Group (2)

Councillors Dawson and Roberts

HOUSING AND COMMUNITY SERVICES COMMITTEE

Labour Group (5)

Councillors Pegg, Pearson, Singh, Southerd and Tilley

Conservative Group (5)

Councillors Bridgen, Brown, Lemmon, Muller and Watson

Independent Group (2)

Councillors Angliss and Fitzpatrick

PLANNING COMMITTEE

Labour Group (5)

Councillors Dunn, Pegg, Rhind, Richards and Taylor

Conservative Group (5)

Councillors Ackroyd, Haines, Hewlett, Patten and Redfern

Independent Group (2)

Councillors Angliss and Roberts

JOINT CONSULTATIVE COMMITTEE

Labour Group (2)

Councillors Rhind and Taylor

Conservative Group (2)

Councillors Atkin and Watson

Independent Group (1)

Councillor MacPherson

ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

Labour (2)

Councillor

Conservative Group (1)

Councillor

HERITAGE GRANTS SUB-COMMITTEE

Labour Group (2)

Councillors Shepherd and Tilley

Conservative Group (2)

Councillor Brown

REPORT TO:	COUNCIL	AGENDA ITEM: 8
DATE OF MEETING:	23 FEBRUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR SERVICE DELIVERY – ALLISON THOMAS	OPEN
MEMBERS' CONTACT POINT:	PAUL WHITTINGHAM Paul.Whittingham@southderbyshire.gov.uk	DOC:
SUBJECT:	SOCIAL HOUSING DECARBONISATION GRANT	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS01

1.0 Recommendations

- 1.1 To accept the Social Housing Decarbonisation Grant of £1,099,835
- 1.2 To authorise the Chief Executive and Strategic Director (Corporate Resources) to sign the declarations.

2.0 Purpose of the Report

- 2.1 This report confirms the acceptance by the Department of Business Energy and Industrial Strategy (BEIS) of the bid by the Council for Social Housing Decarbonisation Grant Funding of up to £1,099,835 which was endorsed by the Housing and Community Services committee on 30 September 2021 and the Finance and Management Committee on 7 October 2021. (The acceptance letter is attached at Appendix1).
- 2.2 The report also contains the Memorandum of Understanding which must be completed and returned to BEIS before 28 February 2022.
- 2.3 Since the original bid was submitted the timetable for delivery of the project has moved back after a delay in the assessment of bids. The programme must now be delivered between 1 April 2022 and 31 March 2023.

3.0 Executive Summary

- 3.1 In 2017, the Council's Asset Management Strategy Action Plan, committed to take a specific action to improve energy efficiency and reduce fuel poverty in Council-owned homes. This was reaffirmed by the Housing and Community Services Committee in 2020.
- 3.2 Nottingham City Council was commissioned by the Council to conduct six hundred Energy Performance Certificate surveys of the Council's residential stock and provide an indication of the stock condition and the investment necessary to improve energy efficiency and reduce their carbon footprint. Additional funding was awarded to

Nottingham City Council by BEIS which allowed for an additional one hundred properties to be added to the survey. The survey work was completed and a detailed report was provided to the Housing and Community Services Committee

- 3.3 In August 2021, the Government published the funding regime and guidance for “Wave One” of its Social Housing Decarbonisation Fund (SHDF). The data provided by Nottingham City Council was used to inform a bid to this fund.
- 3.4 The Finance and Management Committee on 7 October 2021, endorsed the Council bid for funding of £1million and agreed to the Council contributing the required landlord contribution of 33% of the total cost of improvements that would be delivered by this scheme (approximately £500,000).
- 3.5 The bid was submitted after joint work between the Council and NOVUS as the main contractor for the work with the support of Turner Townsend the BEIS approved support advisors.
- 3.6 For the delivery stage of the project BEIS has appointed a Monitoring Officer from the Ricardo consultancy for each Council Provider. This monitoring officer will assist the Council with monitoring and reporting progress to BEIS.
- 3.7 The BEIS national team has confirmed that reporting and monitoring for the project will be demanding in the early stages although it is prepared to work in partnership with providers in order to make Wave 1 a success. BEIS hopes to use learning from this to inform the future waves of funding which will provide around £800 million for the social housing sector in future funding rounds.
- 3.8 Whilst the resolution of the Finance and Management Committee authorised the submission of the bid, it does not authorise the acceptance of the conditions attached to the acceptance of the bid.

4.0 Detail

- 4.1 In order to comply with the requirements of BEIS, the Council must complete and return a Memorandum of Understanding (MOU) by 28 February 2022 (the document is attached at Appendix 2).
- 4.2 This document also contains a number of annexes for completion by the Council and the contractor either at submission of the MOU or at the specified date. These annexes are:
 - Annex 1: Section 151 or Section 73 Officer Declaration (to be provided with the signed MoU)
 - Annex 3: Grant Claim Form (to be provided with the signed MoU)
 - Annex 4: Risk Register (to be provided with the first monthly report)
 - Annex 5: Data Sharing Agreement (to be provided no later than 15 April 2022)
 - Annex 6b: Updated Baseline Milestone Schedule (to be provided with the signed MoU)
 - Annex 9: AP1a form (to be provided with the signed MoU)
 - Annex 10: Small Amounts of Funding Declaration (to be provided with the signed MoU).

4.3 The relevant conditions in the MoU are as follows:

- Clauses 43-49 – the Secretary of State can request that the Council repay all, or part of the Grant (inclusive of interest) if it considers that the Council is in breach of the MoU
- Clause 44 allows the Secretary of State to suspend delivery of the project if one of the provisions of the MoU is not met
- The Council is responsible under the MoU for the failures of its employees, contractors, agents or partners when delivering the project.
- The Council must inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 44 might arise or that it will not be able to meet the provisions of the MoU
- If the Council does not use all the Grant, it must work with the Secretary of State to agree how it will be spent. However, the Secretary of State is entitled to determine an extension or in the instance an agreement cannot be reached can order the Council to repay the remainder within 30 days of the end of the Funding Period.
- The Council must complete the risk register, provide monthly reports to the Secretary of State's Project Team, notify the Project Team of any variation in the project and keep the records for 10 years.
- The Council must ensure that the project complies with the subsidy control regime (see 4.4 below)
- The Council must comply with all relevant requirements of UK law relating to public procurement in force and applicable from time to time (see 4.5 below)

4.4 In relation to the subsidy control regime, the Council submitted a letter at application stage explaining that it intended to utilise the current Whole House contract with NOVUS to deliver the project and that this contract had been properly procured thorough a Framework Agreement and thus satisfied the subsidy control regime.

4.5 In relation to public procurement, as the Council intends to use the Whole House contract to deliver the project and NOVUS was selected under a Framework Agreement, the Council is compliant with all UK law relating to public procurement

4.6 The aim of the programme is to improve the Energy Performance Certificate (EPC) ratings of 111 Council Housing properties in the District from a total award value of £1.557 million (Exc. VAT). The typical properties are sheltered bungalows, selected on their low EPC rating and the vulnerability of their older tenants. The outcome will be warmer homes, reduced energy, improved tenant wellbeing and the elimination of fuel poverty. Measures include roof, cavity, internal, external wall and underfloor insulation, double glazing, LED lighting and Solar Photo Voltaics. These have been designed to cause least disruption to the vulnerable tenants whilst meeting the funding aims.

4.7 NOVUS played an important role with its teams assisting in compiling the bid and also through its understanding and experience of the Council's housing stock and the fact that it holds key supply chain partnership agreements with manufacturers and suppliers.

4.8 Appendix 3, attached to the report provides a detailed summary of the bid itself. This includes:

- Project costs
- Starting EPC levels

- Stating Space Heating Demand Levels
- Property Type
- Fuel Type
- Planned outcomes.

4.9 The measures identified to improve the EPC rating of properties that are currently above or below level C are detailed in the tables below.

Table 2a - Social Housing below EPC Band C Measures			
Measures	Total number of estimated installations in each home per application	Estimated total costs /£ (inc. non-recoverable Vat)	Estimated total costs /£ (Exc. Vat)
External Wall Insulation	78	£ 1,134,904.20	£ 1,070,664.34
Cavity Wall Insulation		£ -	
Underfloor Insulation	0	£ -	£ -
Loft Insulation	95	£ 53,345.02	£ 50,804.78
Draughtproofing		£ -	
Air Source Heat Pumps		£ -	
Ground Source Heat Pumps		£ -	
Shared Ground Loops		£ -	
Communal Heat Networks		£ -	
District Heat Networks		£ -	
High Retention Storage Heaters		£ -	
Biomass	0	£ -	
Solar PV	15	£ 68,288.01	£ 68,288.01
Solar Thermal		£ -	
Double Glazing	101	£ 268,275.12	£ 255,500.11
Other (list below)			
Low Energy Lighting	111	£ 59,841.43	£ 49,867.86
Efficient Boiler Replacements		£ -	
Internal Wall Insulation	0	£ -	£ -
Party Wall Cavity Insulation	80	£ 40,354.83	£ 38,433.17
Electric Storage Heater Replacements	0	£ -	
Flat Roof Renewal	0		0
Total	480	£ 1,625,008.61	£ 1,533,558.27

Table 2b - Social Housing EPC Band C and above Measures			
Other (list below)			
Loft insulation	9	£ 3,939.73	£ 3,752.12
Windows Doors	10	£ 16,273.18	£ 15,498.27
Party Wall Cavity Insulation	8	£ 4,530.61	£ 4,314.87
Total	27	£ 24,743.52	£ 23,565.26

5.0 Financial Implications

- 5.1 As outlined in the earlier reports to the Housing and Community Services and Finance and Management Committees, the bid has achieved 66% funding for the overall cost of the programme which is around £1.648 million which will, therefore, require £549,917 landlord contribution to be provided by the Council.
- 5.2 This contribution will be met from the Housing Revenue Account (HRA) Capital budgets and the Major Repairs Reserve in line with the Medium-Term Financial Plan presented to Housing and Community Services Committee in January 2022 and Finance and Management Committee in February 2022 as part of the Budget round.
- 5.3 The Council should be mindful that the Secretary of State has the ability to request that the Council repay some or all of the grant if the Council is considered in breach of the MoU.

6.0 Corporate Implications

Employment Implications

- 6.1 An allowance is made within the SHDF funding for the administration of the scheme. Initially it was envisaged that this allowance would be used to extend the role of the Green Homes Grant project coordinator already employed by the Council to assist in the delivery of the Green Homes Grant – Local Authority Delivery Phases 1b and 2 and 3 if the Council were to be successful in also winning further funding under these schemes. If unsuccessful then an additional short-term post will need to be supported in order to manager and deliver the scheme.

Legal Implications

- 6.2 Since the submission of the bid the current “Whole House” contract with NOVUS which already has scope for the delivery of major improvement works to Council properties has been extended and endorsed by the Housing and Community Services Committee on 27 January 2022. The contract is also currently subject to negotiations around a number of variations proposed by the Council.
- 6.3 The contract was procured in accordance with UK procurement rules as a call off contract under a Framework Agreement and is compliant with the grant conditions relating to subsidy control and procurement.

Corporate Plan Implications

- 6.4 The contents of this report make a direct contribution to the aims of the Council's Corporate Plan to:
- Tackle climate change - Strive to make South Derbyshire District Council carbon neutral by 2030.
 - Work with residents, businesses and partners to reduce their carbon footprint
 - Promote health and wellbeing across the District.
 - Improve the condition of housing stock and public buildings.

Risk Impact

- 6.5 The contents of this report make a direct contribution to mitigating the risk identified within the Corporate Risk register: Climate Emergency – The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.
- 6.5 A risk assessment framework is provided within the bid documentation. This will be completed and submitted to BEIS as requested with the first monthly report.

7.0 Community Impact

Consultation

- 7.1 Council tenants have already been engaged in the project through their participation and cooperation with Nottingham City and Council staff in arranging surveys in their homes. A requirement of the bid is that there is a robust plan for customer engagement in the delivery of improvement works. This duty will be shared between the Council and the contractor delivering the work. NOVUS has confirmed that its communication with affected tenants will commence twenty days before they are due to start on site.
- 7.2 The recently formed Council Tenants group has also been informed of the success of the bid.

Equality and Diversity Impact

- 7.3 The contents of this report will assist in ensuring that homes for tenants including those with Protected Characteristics will be more energy efficient, improving their health and wellbeing.

Social Value Impact

- 7.4 The potential outcomes of the successful delivery of insulation and improvement plans could have a positive effect on the health and well being of tenants through the provision of homes that are affordable to manage for tenants.

Environmental Sustainability

- 7.5 It is a requirement of the bid that the impact of the project on improving the carbon and energy efficiency of homes is measured and reported to BEIS. This will also allow the Council to gauge the success of the project and provide a starting point for similar works to its properties in the coming years.
- 7.6 The provision of homes that reduce the amount of energy required to heat them and consequently the carbon footprint of these homes provides an environmentally sustainable housing stock for the future.

8.0 Conclusions

- 8.1 Securing SHDF Wave 1 funding is a significant achievement for the Council.
- 8.2 The delivery and report timetable is demanding and will require the additional resource identified in order to meet the reporting conditions of the MoU.

- 8.3 The funding provides an excellent opportunity for the Council to begin its longer-term journey to reduce the Carbon footprint of all Council-owned homes.

9.0 Background Papers

Report to Housing and Community Services Committee 30 September 2021

Report to Finance and Management committee 7 October 2021



Department for Business, Energy & Industrial Strategy

By email: paul.whittingam@southderbyshire.gov.uk
Paul Whittingham
South Derbyshire District Council

February 2022

Dear Paul,

Application Reference: SHDF-081 South Derbyshire District Council

Thank you for your application for the Social Housing Decarbonisation Fund Wave 1 Competition. We have completed an independent assessment and moderation of all the applications. Due to exceptional circumstances, it has taken longer than expected to assess and finalise the list of successful applications and we are grateful for your patience in awaiting this decision.

Based on this assessment, I am pleased to confirm that BEIS will award a grant of up to £1,099,835 to South Derbyshire District Council, subject to agreeing the Grant Memorandum of Understanding (MoU) and undertaking appropriate due diligence.

You are advised not to enter any binding arrangements until the MoU commencement date, which will be the date at which BEIS signs the completed MoU.

Recognising the delay, the delivery timeline has been re-baselined to reflect a 12-months, starting on 1 Apr 22 and concluding by 31 Mar 23. The change in delivery timeline will require the key milestone dates in the MoU to be updated and this may require you to undergo additional internal governance to confirm your organisation's continued commitment to the project.

The finance for Wave 1 is only available to be granted in this fiscal year (FY21/22). It is important that the enclosed MoU is completed and returned as soon as possible (and by the 28th of February at the latest) to allow payments to be processed.

Please complete the MoU in full and return it to shdf.wave1.mou@beis.gov.uk stating the lead Local Authority in the subject. There are additional documents provided with this MoU, please read these carefully and provide them at the times set out within the MoU. We have also enclosed an FAQ document to answer frequent questions on the process.

If you have any queries about the contents of this letter, please submit these by email to BEIS at shdf.wave1.mou@beis.gov.uk.

We would like to take this opportunity to invite you to an introductory webinar which will be an opportunity to meet the SHDF team and answer any questions on the MoU signing process. [Please register your interest and preference of date via this link.](#)

You will also be invited to an introductory session with our Delivery Partner Ricardo, who can be contacted at SHDF.W1@ricardo.com, to talk through the project monitoring and reporting requirements for the programme, as we support you and your team to deliver your project by March 2023.

Finally, there will be a kick-off event in March which will be an opportunity for us to provide you with a detailed briefing on our collective ambitions and expectations, lessons and reflect from earlier schemes. We hope this will be an in-person event and will forward details as soon as possible.

We are looking forward to working with you on this exciting project. The Monitoring Officer (MO) assigned to your project is Arthur Anunciacao, we strongly encourage you to establish lines of communication as quickly as possible with your MO to support your project.

Yours sincerely

Matt Harrison

Programme Director – Social Housing Decarbonisation Fund



Social Housing Decarbonisation Fund

Questions and Answers on the Memorandum
of Understanding (MoU) pack



© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at:

shdf.wave1.mou@beis.gov.uk

Contents

MoU general guidance _____	4
DSA questions _____	4
Deadlines and Timelines _____	5
Document format and electronic signatures _____	6
Communicating your application outcome _____	7
Clarification on the MoU annexes _____	7
Data and reporting _____	8
Other clarifications _____	9
Appendix A: Document Completion Checklist _____	11
Appendix B: Data Sharing Agreement Walkthrough Pack _____	13

MoU general guidance

What is a Memorandum of Understanding (MoU)?

This MoU is an agreement between the Department for Business, Energy and Industrial Strategy (BEIS) and the grant-winning Local Authority (LA) that set out expectations of both parties in relation to the funding being provided as part of Wave 1 of the Social Housing Decarbonisation Fund (SHDF – Wave 1).

DSA questions

What is a Data Sharing Agreement (DSA)?

A DSA sets out the purpose of the data sharing, covers what happens to the data at each stage, sets standards and helps all the parties involved in sharing to be clear about their roles and responsibilities. It ensures both projects and BEIS' data sharing responsibilities are lawful, safe and ethical. It is a crucial document intended to complement the MoU.

We are not processing any personal data for the project. Do we need to complete a DSA?

You are responsible for ensuring BEIS receive data to meet the conditions of your grant. Even if you are not processing personal data and instead directing third-parties in this task, you are responsible for directing this task. This DSA explains the grant-winning LA's and BEIS' joint data controller relationship under SHDF – Wave 1, and it is expected that each project operate under the DSA provided to support delivery.

Why does the DSA say we need to issue BEIS' and our own Privacy Notice separately?

Achieving bilateral agreement on a joint Privacy Notice is significantly more resource-intensive for BEIS and projects alike. The provided DSA empowers you to adapt any existing Privacy Notice you have within your organisation against the Privacy Notice requirements (paragraphs 31-37 of the DSA), without having to seek approval from BEIS on your draft. This seeks to ensure both parties are GDPR compliant and transparent when collecting and processing data in connection with the delivery of the project.

Why do we need to ask for consent?

Almost all data shared under the project is processed on a public interest basis. However, personal data collected in connection with SHDF – Wave 1 research and

evaluation activities will be subject to consent. BEIS SHDF advise you to use the Consent Form offered in Appendix G of the DSA.

Further information on BEIS' research will be provided later into delivery of the programme. If you have concerns or further questions in respect of the consent process, please contact shdf.wave1.mou@beis.gov.uk.

We have our own Privacy Notice that we'd prefer to use. Do we have to use the template Privacy Notice in Appendix F of the DSA?

It is your responsibility to ensure that data subjects are informed about how and why their personal data is processed under your project and can provide informed consent. You must issue a **Privacy Notice** for how your project will process personal data, in addition to **BEIS' Privacy Notice**¹ and the **Consent Form** (Appendix G of the DSA).

Appendix F of the DSA is offered as a guide for creating your own Privacy Notice covering the data identified as necessary to share with BEIS. Placeholders and guidance are provided to assist in its completion.

You are welcome to work from an existing Privacy Notice within your organisation, rather than use this template, if you prefer.

Either way, you must ensure your Privacy Notice covers the processing of personal data in your project, aligning with the data flows for your project, and meets the conditions in paragraphs 31-37 of the DSA. This is the responsibility of the lead LA to ensure your Privacy Notice meets UK GDPR compliance for your project.

Deadlines and Timelines

Why is it imperative BEIS receives a signed MoU by the 28th February 2022?

BEIS have set financial parameters within which we need to receive a signed MoU to ensure transfer of funding to LAs by the end of the FY 21/22. There is a risk that MoUs received after the deadline may lead to funding not being granted.

We cannot return our MoU before the deadline; can we have a deadline adjustment?

Any MoUs received after the 28th February 2022 may lead to LAs not receiving funding due to the time needed by BEIS to process payment before the end of the financial year.

¹ BEIS SHDF Privacy Notice – Available here: <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund/social-housing-decarbonisation-fund-privacy-notice>

Should any LA be unable to meet the deadline, please email us at shdf.wave1.mou@beis.gov.uk and we will try to work with you to find a solution.

We cannot return our DSA before the deadline; can we have a deadline adjustment?

We recognise that Data Protection Impact Assessments (DPIAs), a preliminary step to completing the DSA, take time to complete. If grant-winners are unable to return a DSA by the 28th February 2022 (along with the signed MoU), they must at minimum confirm a contact who BEIS can liaise with to support the process and ensure the DSA is in progress, signed as soon as possible, and returned to us no later than the 15th April 2022.

How do we return our signed MoU and associated documents?

You should return these by email to shdf.wave1.mou@beis.gov.uk

What are the next steps once we return the signed MoU and associated documents?

Once BEIS are satisfied that you have returned all the documents necessary for the funding to be provided, and so long as this is on or before the deadline of the 28th February 2022, we will arrange for the payment to be made (as set out in paragraph 11 of the MoU). We recommend that you do not commission any work that you intend to undertake as part of SHDF – Wave 1 until this payment has been made. The grant cannot be used to pay for Eligible Expenditure incurred before the date of the MoU.

The commencement date of the MoU will be the date at which BEIS signs the MoU. Once you receive the funding, you should commence reporting as per the reporting requirements set out in the MoU.

Document format and electronic signatures

Is there an opportunity to change the content of the MoU?

The MoU and associated documents have undergone a rigorous approval process by our legal and commercial teams. As a result, it is not possible to make amendments and the MoU can only be shared in a PDF format. If this presents an issue and the signing process is difficult to achieve within the timeline specified, please contact us.

It is challenging to gather wet signatures in time. Is there a possibility the MoU can be returned with electronic signatures?

Yes. We allow the use of electronic signatures for the release of funding. These electronic signatures must be provided using the PDF format. These should be followed up with a wet signature as soon as possible; this can be provided as a scanned copy emailed to shdf.wave1.mou@beis.gov.uk.

Communicating your application outcome

Are LAs able to communicate the outcome of their bids?

LAs are welcome to inform their delivery partners, consortium partners and other necessary parties that BEIS has offered you funding under the SHDF – Wave 1 project, however, funding is contingent on both BEIS and the Lead LA signing and returning an MoU (with the supporting documentation).

Please also refer to paragraph 14 of the MoU in relation to any public communications about SHDF – Wave 1.

Clarification on the MoU annexes

What is the difference between Annex 1 (Section 151 or Section 73 Officer Declaration) and Annex 2 (Grant Determination)?

The Grant Determination is legally binding and the purpose of this is to ensure the funding will only be used for capital projects. This aligns with the spending requirements of section 31 of the Local Government Act 2003. Annex 1 relates to evidenced grant claims, delivery as against the Proposal/Baseline Milestone Schedule and compliance with the MoU. These annexes should therefore be viewed as two independent documents: one for S31 spend (Annex 2) and one for the MoU (Annex 1).

Why are BEIS asking for a Risk Register (Annex 4), we already provided this as part of our application?

Due to the length of time between the competition submission and the award of the grant funding, BEIS require LAs to provide updated Risk Registers to take account of any changes which may have occurred. LAs should provide these updated risk registers using the template provided by BEIS in Annex 4. These should be returned along with the first Monthly Report.

Do we have to provide our proposal in Annex 6a as part of our signed MoU return?

The proposal referred to in Annex 6a of the MoU is the application that has previously been submitted as part of the competition. BEIS already have this information therefore LAs do not need to provide this again as part of the MoU signing process.

Why are BEIS asking for an updated Baseline Milestone Schedule (Annex 6b), we already provided this as part of our application?

The Baseline Milestone Schedules are critical for BEIS to measure the performance of projects. Due to the length of time between the competition submission and the award of the grant funding, BEIS require LAs to update their Baseline Milestone Schedules (table 5a in the competition application form) to take account of these adjustments in timescale. LAs should provide an updated version of table 5a as part of the return of signed MoUs, and a blank template is provided in Annex 6b of the MoU. It should be noted that overall numbers shouldn't change (i.e. the number of properties) from the schedule submitted in the application form, the change should just reflect updated dates based on the adjustments in timescale.

Why has the list of data requirements (Annex 7) changed since the draft MoU?

The Performance Management System was still in development when BEIS issued the draft MoU, therefore the list of data requirements has been developed further. Many of these requirements are per-property or one-off. A separate list of data items and the details of each data requirement is included in Appendix E of the DSA.

Why has the AP1a form been added in Annex 9?

This form has been added to enable BEIS to set up the LA on our payment system. It should be completed and returned as part of the signed MoU pack, regardless of whether BEIS has made a payment to the LA previously.

Why has the Small Amounts of Funding Declaration been added in Annex 10?

Please refer to the information in the 'Other clarifications' section below on Subsidy.

Data and reporting

We do not understand the data requirements, can you provide further clarification on these?

Please refer to Appendix E of the DSA.

We do not understand the process of providing the Monthly Report, can you provide further clarification?

BEIS will provide a spreadsheet template which contains sections to add all of the data required. Once the required data is added into this spreadsheet, it should be uploaded onto the gov.uk site. This will be communicated in further detail as part of a kick-off event along with a demonstration of how to use the system. We will also have follow-up webinars where the process can be explained in further detail.

When should we provide the first Monthly Report?

You should provide the first Monthly Report on or before the 10th working day of April 2022.

Other clarifications

What is the Learning Community that is mentioned in paragraph 89 of the MoU and how will involvement be agreed?

All Wave 1 projects will be invited to participate in our SHDF Learning Community, where project representatives can meet on a regular basis to collaborate, network and share knowledge and lessons learned. We strongly encourage projects actively participate in these sessions to make the most of this opportunity to learn from each other. You will be given more information about the Learning Community during the upcoming webinars and in the Wave 1 kick-off event.

Subsidy

Where grant funding is passed from a lead LA to a Private Registered Provider, for example a Housing Association as part of a consortium, this will be considered a subsidy. The LA will need to ensure compliance with the subsidy control rules (see further information at section 2.3 of the published scheme guidance).²

In instances of a LA using grant funding on their own social housing stock – this will not be considered a subsidy.

Where leaseholder or freeholder (right to buy) properties, including those that are privately rented, are included in the LA's submitted Proposal, the Small Amounts of Funding Exemption applies. To receive funding under this exemption, RPs should declare to LAs that the support they are receiving does not exceed 325,000 Special

² <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

Drawing Rights threshold across three financial years from all public sources.
Subsidies below this amount are exempt from the subsidy provisions of the TCA.

All LAs will receive a Small Amounts of Funding Exemption declaration in their MoU pack (Annex 10 of the MoU). The LA will be responsible for assessing whether a declaration needs to be made for any of the above properties in their bids. Where no applicable properties are included, please submit a nil return. If you are required to submit Annex 10 sooner than the 28th February, you will have been notified about this in your successful letter.

If you have any queries on the completion of the form, and to submit your return, please contact shdf.wave1.mou@beis.gov.uk.

Appendix A: Document Completion Checklist

Main MoU		
Section name	Paragraph no.	Information to be inputted
Notice and Communications	111	Key day to day contacts with BEIS (who will be contacting BEIS most regularly)
-	-	Signature, name and position of the person signing the MoU on behalf of the Authority
Annex 1: Section 151 or Section 73 Officer Declaration <i>(to be provided with the signed MoU)</i>		
Section name	Paragraph no.	Information to be inputted
-	-	Signature, name and position of the person signing (Section 151 or 73 officer) Date of signature
Annex 3: Grant Claim Form <i>(to be provided with the signed MoU)</i>		
Paragraph name	Paragraph no.	Information to be inputted
Section 1	-	Local Authority name
	-	Bank Details: <ul style="list-style-type: none"> • Bank name & address • Sort code • Account number • Account name
	-	Contact name Contact telephone number Contact email address
Section 6	-	Signature, Name and Position of a Senior Local Authority Officer Date
Annex 4: Risk Register <i>(to be provided with the first monthly report)</i>		
Section name	Paragraph no.	Information to be inputted
-	-	Complete the risk register template provided
Annex 5: Data Sharing Agreement <i>(to be provided no later than 15 April 2022)</i>		
See separate guidance in Appendix B of this FAQ		
Annex 6b: Updated Baseline Milestone Schedule <i>(to be provided with the signed MoU)</i>		
Paragraph name	Paragraph no.	Information to be inputted
-	-	Complete the baseline milestone schedule template provided
Annex 9: AP1a form <i>(to be provided with the signed MoU)</i>		
Paragraph name	Paragraph no.	Information to be inputted
-	-	Complete the form

(continued overleaf)

Annex 10: Small Amounts of Funding Declaration *(to be provided with the signed MoU)*

Paragraph name	Paragraph no.	Information to be inputted
-	-	Tick the statement that applies
-	-	Insert the Authority's fiscal year
-	-	Add details of Particulars of any De Minimis State Aid or Small Amounts of Financial Assistance received during the current or previous two fiscal years
-	-	Signature, For and on behalf of, Position, Date
OR		
Where no applicable properties are included, please submit a nil return.		

Appendix B: Data Sharing Agreement Walkthrough Pack

DSA Overview

This Data Sharing Agreement (DSA) between BEIS and the grant-winning Local Authority (LA) complements the Memorandum of Understanding (MoU) for the grant. It confirms that the LA has a system in place to fulfil the Reporting Requirements in its MoU with BEIS, as outlined under Annex 7 and paragraphs 54-58 of the MoU. The data shared has been identified by BEIS as necessary to deliver and evaluate the scheme. This DSA enables the lawful sharing of this data to fulfil the MoU conditions of the grant.

LA's have two options for how to complete the DSA, and fulfil data sharing requirements:

1. The grant-winning LA, referred to as **the Authority** in this DSA, will share all data, including personal data of its teams, residents and installers, with BEIS as required under the MoU.
2. The LA directs a third party to share data with BEIS on its behalf. The LA must make sure there is a **binding contract** between it and any third parties sharing data, containing a number of compulsory provisions, such that third parties must fulfil the MoU reporting requirements on its behalf.

In both scenarios, the LA is a joint data controller with BEIS, since it makes decisions about processing activities, and directs processing activities.

To complete the DSA:

1. Develop a system to ensure that reporting data, including personal data of tenants and installers needed to deliver the project (e.g. contact details, addresses), are collected, stored, processed, and shared with BEIS safely.
2. If this includes outsourcing data processing to a third party, ensure there is a binding contract in place, to ensure the terms of this DSA, and the requirements of the MOU, will be met.
3. Check whether your project needs a Data Protection Impact Assessment (DPIA).
4. Develop a delivery model that ensures all data subjects in the project are provided both the BEIS Privacy Notice, and your own Privacy Notice, and the Consent Form (Appendix G). This Privacy Notice may be based on the template provided (Appendix F), or use an existing one. Either way, the LA must ensure there is a project Privacy Notice that meets the requirements outlined in paragraphs 31-39 of this DSA.
5. The LA completes the DSA by populating blank boxes in the DSA, following the walkthrough guidance.
6. Submit the completed DSA to you DPO and, if necessary, legal team, for review.
7. Once approved by their DPO, return the DSA to BEIS, signed by your agreement owner, also referred to as your Information Asset Officer (IAO) in UK GDPR.

Please note, the Data Protection Impact Assessment (DPIA) is a preliminary step to completing the DSA. It is the process through which you design the data management system for your project. DPIAs can take significant time. To ensure the DSA is returned in time to enable you to meet the MoU reporting requirements in a timely fashion, please ensure your project Privacy Notice, DPIA, and any external third-party agreements you

may need to set-up your data sharing system to meet MoU requirements, **start as soon as possible**.

DSA Checklist	
Item	Action
	Signatory Details
	Paragraph 17
	Paragraph 27d
	Paragraph 71 + 72
	Paragraph 75 + 81
Consult Data Protection	DPIA approved
	DSA approved
Privacy Notice	Complete Privacy Notice
	Consent system in place
Appendices	Review Appendices A-E
	Appendix H – Contact Details Complete
	Appendix I – Signature and Date
Finish	Return to BEIS

Core DSA Text

Signatory Details

Agreement Owners for DSAs are senior responsible individuals, responsible for understanding why information is held, what is added and what is removed, how information is moved, and who has access and why. They are also known as Information Asset Owners (IAOs) in UK GDPR.

They will also have to sign the DSA upon completion, before returning to BEIS, in Appendix I of the DSA.

Please add:

- Name, role, and email address of your senior responsible individual for the project.

Introduction

This section explains how the DSA is limited to the data sharing arrangements between the Partners necessary to fulfil the requirements in the MoU. If you are outsourcing data processing to a third party, make sure there is a legally binding arrangement in place to ensure their activities meets the requirements in the MoU.

Principle 1 – Lawfulness, fairness & transparency

This section explains why this data sharing is necessary for each Partner, the specific aims each Partner has and the benefits each Partner hopes to realise. This should be documented in precise terms so that all Partners are absolutely clear as to the purposes for which data may be shared and used, and the legal basis for each use of the data shared to BEIS.

Personal data requires a legal basis for processing under UK GDPR. We require the contact details (i.e. personal data) of your project team to deliver the project, on a public task legal basis. However, we intend to rely on consent for the evaluation activity. This means personal data shared for evaluation and research purposes can only be shared between the Partners and BEIS (and BEIS' appointed evaluation partner) on a consent basis.

Data to be shared

This section summarises data to be shared with BEIS under this DSA.

Before agreeing, please:

- Review the full list of data items to be shared with BEIS in Appendix E of this DSA, and have systems in place to share these with BEIS on request.

-
- If using third parties to process data shared under this DSA, have formal agreements in place to ensure they will share this data with BEIS, to meet the requirements outlined under Annex 7 and paragraphs 54-58 of the MoU, on your behalf.

How data will be shared

BEIS provides the system for sharing the Data with us, but projects are responsible to ensure there is a system in place for the Data to be collected and stored, ready to share with BEIS.

This section confirms that the Authority has their own system in place to ensure that the Data is collected, processed and transferred to BEIS securely. Check if you need to complete a **Data Protection Impact Assessment (DPIA)**, any third-party contractual agreements, and seeking legal advice and consultation with their Data Protection Officer.

The DPIA process requires significant time to complete.

- Paragraph 17. Please check whether you need to complete a DPIA before attempting to finalise the DSA.

Legal gateways

A legal gateway is the power which allows the data sharing to take place. It may be derived from a piece of legislation or the Common Law, or on a consent basis only.

BEIS have listed their legal gateways here. Partners may choose to add further functions that are supported by SHDF – Wave 1 Data Sharing. Some examples from the Demonstrator projects have included: the Housing Act 1988, 1996, and 2004, the Housing (Homelessness) Act 2002 and the Homelessness Reduction Act 2017 and Localism Act 2011, in the public interest or in the exercise of official authority vested in your organisation, or for the performance of contractual obligations e.g. under any tenancy or lease.

All legal gateways, and consent basis, must be mirrored in your DPIA and the Privacy Notice(s) you provide data subjects to explain the lawful processing of their personal data. Projects must ensure that the use and management of consent adheres to the Information Commission Officer's [guidance](#), and that the use of that personal data is restricted to the purposes allowed by that **consent**. If you are unsure which legal gateways might be relevant, or whether there is a gateway, please **seek legal advice**.

- Paragraph 27d. Partners may add further functions that are supported by SHDF – Wave 1 data sharing.

Data controller relationship

Local Authorities do not need to add other sharing arrangements to this section. This section provides further context as to how BEIS and the lead Local Authority will act as joint data controller for the data shared and responsible for onward use. It also adds further clarity to

your role as a joint data controller when joining the project, even if you direct a third party to process personal data on your behalf.

Transparency

This section relates to how you will ensure data subjects under your project are informed about how and why their personal data is processed, and their rights. You must also provide the option for consent to data subjects, to enable processing purposes that require consent. You must notify data subjects that you will be sharing their personal data with BEIS. You must ensure BEIS' privacy information is provided to all data subjects, via BEIS' SHDF Privacy Notice alongside your own Privacy Notice.

Please:

- Complete a Privacy Notice for your project, as per the requirements in paragraphs 31-37 of the DSA, using the guide template in Appendix F if you prefer.
- Have a system in place to ensure that all your project participants receive your Privacy Notice, BEIS' Privacy Notice, and a Consent Form, to ensure their personal data shared with BEIS is processed safely.

Principle 6 – Integrity and confidentiality

This part of the DSA outlines the steps BEIS and the Authority's staff personally undertake to ensure the principles of the DSA can be carried out effectively. In paragraphs 62-65, BEIS details organisational trainings and procedures in place to ensure staff process the Data received under this DSA safely.

In addition, each Partner names the senior individuals responsible for the security of the data. This mirrors the signatories of the DSA.

As such:

- Paragraph 67. Add the individual names(s) of the Information Asset Owner(s) from the Authority in the format used by BEIS in paragraph 67 (“[Name], [Role] in [Organisation]”).

Principle 7 – Accountability

This section outlines how Partners will demonstrate GDPR compliance. This may include the undertaking of a DPIA, having documented processes and procedures in place, having data sharing agreements in place, and the training of its staff. You must also confirm whether the processing of personal data will or will not be added to their central record of processing. This will likely depend on whether you are processing personal data internally, or relying on third-party outsourcing.

To complete:

-
- Paragraph 71. Provide detail to demonstrate your accountability and compliance with data protection principles. This might include your completion of a DPIA , and other activities that add to your accountability and demonstrate your compliance with UK GDPR. By way of example, please see BEIS' counterpart in Paragraph 69.
 - Paragraph 72. Confirm whether or not personal data covered in this DSA will or will not be added to the Authority's existing central record of processing. If it is not added, please provide reasons for this (e.g. third-party outsourcing). By way of example, please see BEIS' counterpart in Paragraph 70.

Governance and administration

This section is where other relevant governance issues should be covered. For example, issues on which Partners need to agree handling such as offshoring, sub-processing, FOI queries, and other relevant governance processes that Partners may wish to document, such as a DPIA, consultation with your Data Protection Officer, etc.

- Paragraph 75. If needed, confirm that a DPIA has been completed for their project. Provide detail of what this DPIA covers and whether it will be published, in parallel with BEIS' DPIA statement in paragraph 74. If not needed, provide a reason why a DPIA was not needed.
- Paragraph 81. Confirm whether the Authority has consulted with their Data Protection Officer, or otherwise (for example through the DPIA process) obtained specialist data protection advice. Also state whether data subjects or their representatives have been or will be consulted before the processing covered by this DSA commences.

Appendices A- E

Build you data flow system and complete your DPIA around these requirements. Ensure any third-parties processing data on your behalf have full review of these Appendices, the core DSA text, and the MoU, and are under formal agreement to meet these data sharing requirements with BEIS on your behalf to deliver the project.

Appendices F – Privacy Notice Template

It is your responsibility to ensure that data subjects are informed about how and why their personal data is processed under your project, and can provide informed consent. You must issue a Privacy Notice for how your project will process personal data, in addition to BEIS' Privacy Notice and the Consent Form (Appendix G of the DSA).

The following template provides guidance for completing your Privacy Notice for SHDF – Wave 1 to ensure compliance with UK GDPR. You are welcome to work from an existing Privacy Notice within your organisation, rather than use this template, if you prefer.

Either way, you must ensure your Privacy Notice covers the processing of personal data in your project, aligning with your DPIA and data sharing agreement with BEIS, and meets the conditions

in paragraphs 31-37 of the DSA. This is the responsibility of the lead LA to ensure your Privacy Notice meets UK GDPR compliance for your project.

Overview

- Introduction. Add the full list of project partners processing personal data under your project
- Introduction. Ensure data subjects have notice of BEIS' processing of their personal data.

What personal data do we hold?

This section outlines the personal data used under SHDF for different participant groups. If intending to issue separate privacy notices for installers, tenants and your own team members, you may remove different groups as relevant.

This is a full list of the data the BEIS Project Team has requested to be collected in connection with SHDF – Wave 1.

- Data. Add any other categories of personal data that you will process, including any more types of scheme eligibility information that you or your consortium partners will use (e.g. resident age, benefits eligibility, smart meter data).

How will we use the information we hold about you?

- Uses. Add any other uses of personal data processing under your project

What is the legal basis for us to process your personal data?

This section notifies data subjects of the legal basis for processing their personal data. Almost all data shared under the project is processed on a public interest basis. However, personal data collected in connection with SHDF – Wave 1 research and evaluation activities will be subject to consent. BEIS SHDF advise you to use the Consent Form offered in Appendix G of the DSA.

Further information on BEIS' research will be provided later into delivery of the programme. If you have concerns or further questions in respect of the consent process, please contact shdf.wave1.mou@beis.gov.uk.

- Legal Basis. Add any legal basis for processing personal data to complete your project. e.g. the Housing Act 1988, 1996, and 2004, the Housing (Homelessness) Act 2002 and the Homelessness Reduction Act 2017 and Localism Act 2011. To check your lawful basis for processing, please refer to the ICO website [here](#), and consult your own Legal team.

Who will we share your information with?

This section notifies data subjects of onward disclosure. You must provide data subjects notice that you share their personal data with BEIS on a public interest basis and on a consent basis, as well as any other parties you share their personal data with.

-
- Onward disclosure. Add any other groups you will or intend to share/disclose their personal data to. This may include, for example, other local authorities, government agencies, external auditors and regulators, any care trusts, suppliers and suppliers' sub-processors, including possibly providers of their IT infrastructure.

How long do we keep your records?

Specify how long you keep personal data for (your retention period). Your retention period requires a legal basis. Please seek legal and technical advice on what this should be. BEIS' retention period is 31st March 2025, as per the BEIS SHDF Privacy Notice.

- Retention. Add a stated retention period.

International transfers

International transfers are not expected to be necessary for scheme delivery, but complete if applicable.

- If applicable, International transfers. E.g. "Your personal data will (or will not) be processed outside the UK and European Economic Area (EEA), or by an international organisation. [State details of locations if applicable] Where your personal data is processed outside the UK or EEA, the following safeguards will be in place: (SELECT ONE) an adequacy decision in respect of a third country by the European Commission or UK "adequacy regulations" reliance on Model Contract Clause/reliance on binding corporate rules".

Your rights

This confirms that both Partners provide data subjects who have personal data processed under this DSA the opportunity to request further information, or exercise their rights under GDPR, by providing the postal and email address of your Data Protection Officer.

Appendices G – Consent Form

Appendix H – Key Contact Details

Appendix I – Signatories

Appendix 3 Summary of the SHDF Bid Application

Summary of Funding & Co-funding.

Total Project Costs breakdown.

Cost Breakdown	Inc. non-recoverable VAT	Exc. VAT
Project Costs - Capital	1,409,947.06	1,330,782.79
Project Costs – Admin/Ancillary	239,805.07	226,340.74
Total Project Costs	1,649,725.13	1,557,123.53

Capital and Administration/Ancillary Cost Breakdown

Table 8a - Project Cost Breakdown - Capital Costs		
Cost area	Inc. non-recoverable VAT	Exc. VAT
	£ -	£ -
Site Management incl design, testing	£ 212,777.05	£ 200,830.26
Direct Installation costs	£ 1,197,170.01	£ 1,129,952.53
Total	£ 1,409,947.06	£ 1,330,782.79

Table 8b - Project Cost Breakdown – Admin & Ancillary		
Cost area	Inc. non-recoverable VAT	Exc. VAT
Head Office Costs	£ 101,956.65	£ 96,232.09
Project Management (excl. Site Management)	£ 44,957.90	£ 42,433.65
Client/Resident Liaison	£ 10,568.38	£ 9,975.00
Pre-Install Assessment & Retrofit Assessor/Coordinator	£ 71,753.76	£ 67,725.00
Regulatory/Statutory Fees	£ 10,568.38	£ 9,975.00
Total	£ 239,805.07	£ 226,340.74

Summary of Capital and Admin/Ancillary Costs for BEIS and the Council

	Total Capital Costs	BEIS Capital Costs	SDDC Capital Costs	BEIS Admin/ Ancillary	SDDC Admin/ Ancillary
--	---------------------	--------------------	--------------------	-----------------------	-----------------------

Inc non-recoverable VAT	1,649,725.13	939,964.71	469,982.35	159,870.05	79,935.02
Exc. VAT	1,557,123.53	887,188.53	443,594.26	150,893.83	75,446.91

Summary of BEIS/SHDF Grant and Council Co-funding.

	Inc non-recoverable VAT	Exc. VAT
BEIS funding	1,099,834.7	1,038,082.3
SDDC co-funding	549,917.37	519,041.17

BEIS has confirmed a SHDF grant award to the Council of up to £1,099,835 is subject to agreeing the Memorandum of Understanding (MOU).

The Council's co-funding was reported and agreed at the South Derbyshire District Council Housing and Community Services Committee on 30/9/21 and Finance and Management Committee on 7/10/2021.

Targeted Properties in the SHDF Bid.

Table 1 - Targeted Properties		Number of Properties
Starting EPC	C+	10
	D	88
	E	12
	F	1
	G	0
	Unknown	0
	Total	111
Starting Space Heating Demand Score (modelled data is acceptable) Data to be provided in kwh/m2/yr.	300+	0
	250 - 299	2
	200 - 249	8
	150 - 199	34
	100 - 149	67
	50 - 99	0
	0 - 49	0
	Total	111

The aim for the property selection process for this funding is to identify a list of 111 properties that meet the following criteria:

- The worst properties (lowest EPC rating)
- Those that will benefit from a 'fabric first' approach
- Properties with the lowest regrets in terms of future measures required
- A priority on 'fuel poor' and most vulnerable households and property types

As well as the above, the property selection process includes two further drivers based on minimising the disruption of vulnerable customers and ensuring value-for-money through the following:

1. Choosing measures that minimises the 'decanting' of vulnerable households
2. The geographical 'clustering' of properties/property types to make the installation of measures efficient and cost-effective

We utilised our base data to identify suitable properties for inclusion in this SHDF Wave 1 Programme:

- 101 properties; EPC ratings of D and below (91.5%)
- 13 'worst properties'; EPC ratings of E and F (10%)
- 15 properties that require fabric first plus Solar PV to gain EPC rating C or above

Property Type	Terraced	3
	Semi-detached	7
	Detached	0
	Bungalow	101
	Low rise flat (1-2 Storey)	0
	Medium rise flat (3-5 Storey)	0
	High rise flat (6+ Storey)	0
	Other	0
	Unknown	0
	Total	111

This data illustrated that a large proportion of the housing stock with EPC ratings of D and below consisted of Sheltered Bungalows. This property type caters for older customers who are the most vulnerable groups. These have been given priority in this funding application to improve fuel poor households. 101 properties are Sheltered Bungalows (91%) with EPC ratings of:

- 11 - E rating
- 80 - D rating
- 9 - C rating

Acting on fuel poverty.

Fuel Type	Main's gas	94
	Liquid Petroleum Gas (LPG)	0
	Oil	0
	Electricity	17
	Solid Fuel	0
	Biomass	0
	Other	0
	Unknown	0
	Total	111

As illustrated, all the properties selected are either heated by Mains Gas or Electric. The fabric first measures selected will reduce consumption of gas/electric for household heating significantly. This will reduce fuel consumption, fuel bills as well as increasing the warmth of these households.

Retrofit Measures Selected.

The Council has already completed retrofit assessments across all architypes for the worst affected properties. This will ensure that the proposed retrofit measures will not change upon the receipt of funding as the measures have already been identified by the pro-active approach to commission an earlier assessment of the Council's housing stock for retrofit opportunities. The Council has also completed some background modelling assessments based on the archetype modelling from the Coordinator's Retrofit Reports and is confident that the proposed costs are fully deliverable.

The cost estimates for the retrofit measures have been generated by a range of cost sources and considerations:

- Initial costs have focused on non-intrusive measures to establish elemental quantities of the individual proposed method of enhancements and costed out property by property in quantified form using known/current market rates benchmarked against historical costs from delivered project
- Energy Specifics, an energy consultancy has carried out a sample property intrusive surveys, SAP assessments to verify advisory costs from the NCC data.

Planned outcomes from the Retrofit measures.

The main aim of this Project is to improve the EPC rating of the 111 properties selected which should increase their energy efficiency, reduce the household fuel bills and the energy consumed which should lead to significant carbon reductions, as shown below.

Table 3 - Planned Outputs		
Expected EPC Band of homes post installation	A	0
	B	0
	C	111
	D	0
	Total	111
Homes meeting expected 90 kwh/m ² /yr. target	% Of homes in application expected to meet or exceed target	100
	% Of homes in application not expected to meet target	0
Bill Reduction	Average saving in £/yr. from all homes	£358.52
Energy Savings	Total expected energy savings in kilowatt hours (kWh) from project	312607
Jobs Supported	Number of total jobs supported via project	42
	Of this total, how many are apprentices	2

SOCIAL HOUSING DECARBONISATION FUND WAVE 1

MEMORANDUM OF UNDERSTANDING
Between the

SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

And

South Derbyshire District Council

MEMORANDUM OF UNDERSTANDING

Changes/clarifications from version issued as part of the SHDF – Wave 1 competition launch (August 2021)

Section	Paragraph	Change
Definitions	-	Funding Period end date changed to 31 March 2023
	-	Definition of 'Monitoring Officer' added
	-	Amended wording of 'project baseline' to clarify this refers to the Baseline Milestone Schedule
	-	SHDF Competition amended to SHDF – Wave 1 and conclusion date updated
	-	SHDF – Wave 1 Projects definition added
Background	7	Total funding amounts updated to 'approximately £179m' Added a sentence to reflect that a formal change control mechanism will be used in the case of any changes to the performance, cost and time envelope of projects, including potential extensions beyond March 2023
The grant	10	Date of documentation return amended
Scope of activity	15	Clarification added to reflect this is during the Funding Period and in line with the approved Proposal
Use of third-party delivery partners	23 f	Added in sentence on complying with UK subsidy control rules
Interaction with other funding	27	Clarification added RE co-funding from other schemes
Subsidy control	33	Further text added to provide clarification
Suspension	50	Text updated to reflect that delivery may be suspended, rather than payment of the Grant

MEMORANDUM OF UNDERSTANDING

Governance	54	Monthly report submission to be on the 10 th working day (prev. 20 th working day)
	55 c	Number of top risks changed to 5 (prev. 10)
	55	Paragraph omitted – early indication of change requests to be submitted via email not via the Monthly Report (refer to paragraphs 64 – 68 for details)
	56	Clarification that any modification of data requirements will be communicated to the Authority
	57	Text added to reflect that the Authority should have a system to collect inputs from all consortium members if it is part of a consortium Clarification that ‘the data’ refers to the data set out in Annex 7: Data Requirements
Change Requests and Variations	64 - 68	Updated to reflect the current change control process
Performance	79	Monthly Report to be submitted on the 10 th working day of each month (prev. 20 th)
	80 b	The review of progress will be against the Updated Baseline Milestone Schedule
	81	Clarification of baseline meaning
	82	Text in ‘Planned Milestone Date’ column updated to state ‘determined by Project Proposal’
	83	Planned milestone date determined by the Updated Baseline Milestone Schedule
	86	Updated information on signing of the DSA

MEMORANDUM OF UNDERSTANDING

	87	Further detail added around sharing the Privacy Notice
Monitoring, evaluation and audit	89 f	Process for providing Monthly Report updated
	89 i	Clarification added that the Authority's privacy notice should mirror what is documented in the DSA Further detail added around sharing the Privacy Notice
	89 j	Updated information on signing of the DSA
	89 l	Added sentence on participation in regular Learning Community events
Documents to be provided	115	Updated Baseline Milestone Schedule to be provided Table 2 added to reflect updated DSA signing process and revised deadlines Table 3 added to reflect the updated risk register completion date
Annex 2	-	Text in Annex B of the Grant Determination updated to reflect that the conditions will be complied with (this previously stated that they had already been complied with)
Annex 4	-	Template for risk register updated and simplified
Annex 5	-	Data Sharing Agreement updated to Wave 1 DSA (competition documents contained Demo DSA)
Annex 6 (a & b)	-	Annex 6 split into 6a and 6b to reflect the need for an Updated Baseline Milestone Schedule (Annex 6b)

MEMORANDUM OF UNDERSTANDING

		Clarification added to Annex 6a to reflect that the Proposal is the application submitted as part of the competition
Annex 7	-	Revised to reflect monthly data to be supplied on the 10 th working day of each month (prev. 20 th) Additional data requirements added
Annex 9	-	Added in the AP1a form as Annex 9
Annex 10	-	Added in the Small Amounts of Funding Declaration as Annex 10
-	-	Privacy Notice template moved to be Appendix F of the DSA

MEMORANDUM OF UNDERSTANDING

SHDF – WAVE 1

Table of Contents

MEMORANDUM OF UNDERSTANDING	2
Annex 1: Section 151 or Section 73 Officer Declaration	28
Annex 2: Grant Determination	29
Annex 3: Grant Claim Form.....	31
Annex 4: Risk Register.....	32
Annex 5: Data Sharing Agreement (DSA).....	33
Annex 6a: Approved Application Proposal (the Proposal).....	75
Annex 6b: Updated Baseline Milestone Schedule.....	76
Annex 7: Data Requirements	77
Annex 8: Recovery Plan (draft – final template to be provided to the Authority)	78
Annex 9: AP1a form	79
Annex 10: Small Amounts of Funding Exemption Declaration	80

MEMORANDUM OF UNDERSTANDING

DEFINITIONS

In this MoU the following terms will have the following meanings:

“The Authority”, the Local Authority with whom this MoU is signed by. In the case of a Consortium, means the local authority that is to sign this MoU and is the lead local authority to whom the Grant will be paid by the Secretary of State, subject to the provisions of this MoU.

“BEIS” means the Department for Business, Energy and Industrial Strategy.

“Co-funding” means the amount of contributory funding that the Authority should provide in addition to the Grant (as confirmed in the approved Proposal (Annex 6a). The minimum co-funding contribution required from the Authority for SHDF – Wave 1 Projects will be a third of total Eligible Expenditure.

“Commencement Date” refers to [BEIS to insert date when signing] when the MoU is signed and therefore comes into effect.

“Consortium” means a group of registered providers working together to deliver the Proposal set out in Annex 6a under the leadership of the Authority.

“Eligible Installer” means contractors that are currently trading, are registered with TrustMark¹ and compliant with *“PAS 2035:2019 Retrofitting dwellings for improved energy efficiency. Specification and guidance.”* RPs should ensure that their installers hold the appropriate certifications for the Eligible Measures that they are installing. PAS 2035:2019 requires that all energy efficiency measures within the scope of the PAS2030:2019 standards must be delivered by installers who are certified to this standard and all low-carbon heating measures must be installed by a Microgeneration Certification Scheme (MCS) certified² installer. We expect all contractors to work safely as we recover from the pandemic, following Covid-19 secure working practices.

“Eligible Expenditure” means payments by the Authority during the Funding Period for the purposes of delivering the Proposal, as approved by BEIS, which comply in all respects with the rules set out in paragraphs 15 to 20 (Scope of Activity) of this MoU.

“Eligible Household” means a household which meets the eligibility requirements to which Eligible Measures may be delivered on behalf of the Authority as set out in the Proposal i.e. all social homes below EPC Band C. If it makes sense for a small number of homes in a block or street that are at or above EPC Band C to be included in an application with a primary focus on below EPC Band C social homes, this is possible as long as it is justified in the application on an ‘infill’ basis, and at least 70% of homes across the application are below EPC Band C. Adoption of an ‘infill’ approach to allow the scheme to deal with Mixed Tenure would allow certain

¹ Or a scheme that the Secretary of State is satisfied is equivalent.

² Or a scheme that the Secretary of State is satisfied is equivalent.

MEMORANDUM OF UNDERSTANDING

non-social homes to receive communal fabric measures predominantly limited to external wall insulation (EWI) and ventilation through SHDF – Wave 1 as long as the application contains at least 70% social homes.

“Eligible Measures” are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve properties to the required performance standards. This includes, but is not limited to, energy efficiency measures (such as wall, loft, and underfloor insulation) and low carbon heating technologies. [A list of SAP eligible measures can be found in Appendix T of the SAP 2012 guidance document.](#) This is with the exception of heating systems which are solely fuelled by fossil fuels, such as the installation or repair of a fossil fuel-based heating system, or the replacement of an existing fossil fuel-based heating system with another fossil fuel-based heating system, which are not in scope. For more information on Eligible Measures please refer to Section 2.9 of the SHDF Competition Guidance document.

“Funding Period” is the period for which the Grant is awarded starting on the Commencement Date to 31 March 2023.

“The Grant” is the capital funding made available by the Secretary of State to the Authority under this MoU to deliver Wave 1 of the Social Housing Decarbonisation Fund as stated in paragraphs 9 to 14.

“Mixed Tenure” means a building or a group of buildings which contain multiple tenure types.

“Monitoring Officer” means the role of individuals from the Scheme Administrator, allocated to the Authority, who are the first point of contact for questions. They will assist the Authority with reporting requirements from BEIS and will submit the Monthly Report. They will also attend monthly update calls and site visits with each Authority as required.

“Monthly Report” has the meaning given to it in paragraph 55.

“The Parties” means the Secretary of State and the Authority together collectively.

“Project Team” means the Social Housing Decarbonisation Fund project team within BEIS responsible for the delivery of the Social Housing Decarbonisation Fund Wave 1.

“Programme Board” means the lead governing authority for the Social Housing Decarbonisation Fund Wave 1.

“Proposal” means the Authority’s proposal set out in Annex 6a. This includes the Baseline Milestone Schedule submitted as part of the Authority’s proposal.

“Registered Provider” means a registered provider (RP) of social housing, including private and Local Authority.

“RHI” means the Renewable Heat Incentive, a government financial incentive scheme that promotes the deployment of renewable heating systems.

MEMORANDUM OF UNDERSTANDING

“Scheme Administrator” are working on behalf of BEIS to help to launch the project, administer the project, monitor the projects progress, support the reporting of risks and associated mitigations and provide technical support to the SHDF Wave 1 Project Team. The Scheme Administrator may also be referred to as the Delivery Partner.

“Secretary of State” means the Secretary of State for Business, Energy and Industrial Strategy.

“Services” are the services the Authority is expected to procure for delivery under the Social Housing Decarbonisation Fund Wave 1 Competition.

“SHRA” means the Social Housing Retrofit Accelerator which is the technical assistance facility that has been established to support applications to Wave 1 of the SHDF.

“Spend” means any funding committed and accrued to an Eligible Expenditure, as long as such activity is due for completion within the Funding Period.

“SHDF” means the Social Housing Decarbonisation Fund.

“SHDF - Wave 1” means funding via Wave 1 of the Social Housing Decarbonisation Fund which starts from the Commencement Date and concludes on 31 March 2023.

“SHDF - Wave 1 Projects” means all Projects agreed through the competitive allocation process and their associated deliverables.

PURPOSE

1. To establish the way the parties to the Memorandum of Understanding (hereafter referred to as the “MoU”) will work together to deliver SHDF – Wave 1 in England.
2. To clarify the roles and responsibilities of the parties to the MoU.
3. The Parties to this MoU are:
 - a. The Secretary of State for Business, Energy and Industrial Strategy (**“Secretary of State”**); and
 - b. South Derbyshire District Council known as **“the Authority”**.

The Secretary of State and the Authority are known together collectively as **“the Parties”**.

4. The Secretary of State has decided to grant capital funding through Wave 1 of the Social Housing Decarbonisation Fund to the Authority. The Authority has committed to spend such funds to deliver Eligible Measures to Eligible Households, using Eligible Installers.

MEMORANDUM OF UNDERSTANDING

5. The Parties wish to record their understanding regarding the Grant funding which are detailed in this MoU.

BACKGROUND

6. The Social Housing Decarbonisation Fund (SHDF) is a £3.8bn 2019 Conservative manifesto commitment over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The SHDF will upgrade a significant amount of the social housing stock currently below, and on an 'infill' basis at or above, EPC Band C up to that standard; delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs.
7. The SHDF will be delivered through a series of individual projects ('waves'). The first wave of the programme is called Wave 1 and will provide around £179m to England only projects to support Registered Providers of social housing, including private and local authority providers, to improve the energy performance of their social housing stock by installing Eligible Measures. The £179m project is to be awarded in FY2021/22 and is expected to be delivered through to March 2023. Any changes to the performance, cost and time envelope of the projects will be the subject of a formal change control mechanism as set out in paragraphs 64-68, including potential extensions beyond March 2023.

OUTCOMES

8. The primary purpose of the SHDF is to raise the energy performance certificate (EPC) rating of social homes to a minimum of EPC Band C; or to EPC Band D where Band C is not possible for EPC Band F/G homes and justification has been provided. Wave 1 will look to improve a significant number of homes using a 'worst first, fabric first' approach. We expect the SHDF to result in the following outcomes:
 - **Fuel Poverty:** Reduce the numbers in fuel poverty by improving the energy efficiency rating of social homes below EPC Band C and reducing energy bills. On this basis, tenant energy bills should not increase for equivalent home warmth, and it is expected that bills will reduce.
 - **Carbon:** Deliver cost effective carbon savings to contribute to carbon budgets, and progress towards the UK's target for Net Zero by 2050 by reducing CO2 emissions from social housing.
 - **Green Economy:** Support economic resilience and a green recovery in response to the economic impacts of Covid-19, supporting thousands of jobs.
 - **Tenants:** Improve the comfort, health, and well-being of social housing tenants by delivering warmer and more energy-efficient homes.

MEMORANDUM OF UNDERSTANDING

THE GRANT

9. The Secretary of State grants the Authority capital funding of £1,099,834.75 (“**the Grant**”) to deliver the outcomes in line with their Proposal. This funding is subject to the Authority providing the documentation and information in accordance with paragraph 10.
10. The Authority will as soon as possible and by the 28th February 2022 at the latest provide the Secretary of State with the documentation and information listed in Paragraph 115, Table 1.
11. Once BEIS is satisfied that the completed documentation and information listed in Paragraph 115, Table 1 has been received, it will arrange for the PO to be raised and for payments to be made.
12. The Grant is made available for use during the Funding Period.
13. At the Secretary of State’s sole discretion, the Secretary of State reserves the right to determine an extension beyond the Funding Period, should the Authority provide a request in writing to do so. It is expected that all works will be delivered by the end of the Funding Period.
14. The Authority will ensure that any public communications it issues about SHDF – Wave 1 and SHDF – Wave 1 Projects, or the Proposal are not misleading as to the extent to which they are funded by the Secretary of State.

SCOPE OF ACTIVITY

15. The Authority will use the Grant in accordance with the provisions of this MoU to only incur Eligible Expenditure during the Funding Period, as provided for in the BEIS approved Proposal (Annex 6a).
16. In delivering the Proposal, Eligible Expenditure are payments properly incurred in relation to:
 - a. A recipient who is a ‘**Registered Provider**’; and
 - b. Installation of ‘**Eligible Measures**’; and
 - c. completed by an ‘**Eligible Installer**’; and
 - d. Installation is completed during the ‘**Funding Period**’.
17. Cost of upgrades for social homes: To further ensure value for money, there will be grant cost caps in place for each home. These cost caps will be scaled based on the starting EPC Band of a home, to ensure that the worst performing homes can be treated. Grant cost caps (with accompanying co-funding) are as follows:

MEMORANDUM OF UNDERSTANDING

Starting EPC Band	Maximum SHDF Grant Funding for Retrofit Works	Minimum 1/3 RP Contribution (co-funding) (if maximum grant level applied for)	Total Spend on retrofit works (if maximum grant funding utilised)
D	£10,000	£5,000	£15,000
E	£12,000	£6,000	£18,000
F	£16,000	£8,000	£24,000
G	£16,000	£8,000	£24,000

18. Where the Grant includes capital funding, accounting standards permit, in certain circumstances, the capitalisation of costs incurred when delivering the capital assets for the Proposal (for example, administrative and ancillary). Administration and ancillary costs are expected to be as low as possible and comprise less than 15% of the total budget. It is expected the Authority will keep such costs incurred in delivering the Proposal below 15% of the SHDF – Wave 1 total Grant provided by the Secretary of State. In all other cases capital funding must not be spent on revenue expenditure.
19. The Authority will use Eligible Installers who are suitably certified as defined above.
20. Without prejudice to any other provisions of this MoU, the Authority will not use the Grant for the following purposes:
 - For the provision of measures which are not Eligible Measures.
 - To fund the provision of any lending to third parties.
 - To replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project).
 - Use for activities of a political or religious nature.
 - Use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector.
 - Use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money).
 - Use to cover interest payments (including service charge payments for finance leases).
 - Use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
 - Use to pay statutory fines, criminal fines or penalties.
 - Use to pay for Eligible Expenditure incurred before the date of this MoU.

VALUE ADDED TAX

21. This grant funding to the Authority falls out of scope of VAT. This is because the provision of the Grant is not a consideration of supply for VAT purposes.
22. If the Authority enters into a third-party contractual relationship with a supplier (per the terms of Secretary of State issuing the Grant) and incurs non-recoverable VAT on the supply provided, the Authority should ensure this does not exceed the total Grant award. This means recoverable VAT should not be included in the grant requested.

USE OF THIRD-PARTY DELIVERY PARTNERS

23. Where the Authority is not directly responsible for delivery and instead chooses to provide funding to other public bodies (e.g. local authorities), the Authority will ensure that funding provided:
 - a. Addresses the primary objectives of SHDF – Wave 1.
 - b. Is deliverable within the timescales set out for the Funding Period.
 - c. Considers value for money with regard to the total number of homes upgraded by measure and the total administrative and management costs which will be borne by the third party.
 - d. Identifies any additional value-adding elements which are aligned to the overall objectives of SHDF – Wave 1.
 - e. Can be reported against in line with the KPIs and reporting arrangements as set out in this MoU.
 - f. Complies with United Kingdom subsidy control rules.
24. For the avoidance of doubt, where the Authority provides any funding to third parties for activities undertaken during the Funding Period, it will ensure that the provisions within this MoU are included in any arrangement with these third parties.
25. The Authority is expected to work with these third parties to ensure that key risks are identified and managed.
26. In the consideration of use of Consortia, the Secretary of State acknowledges that it may not be appropriate to implement commercial contractual arrangements between the Authority and other public bodies. However, the Authority will consider ways in which other public bodies' performance during the Funding Period can be appropriately managed such that the Grant can be

MEMORANDUM OF UNDERSTANDING

redistributed from poorly performing or slow to deliver third parties to those which are meeting their performance and delivery targets.

INTERACTION WITH OTHER FUNDING

27. Funding applications received from SHDF – Wave 1 can be blended with other government schemes such as the Energy Company Obligation (ECO), or the Sustainable Warmth competition (SW), to support works on the same home but cannot be used to fund the same individual measure. Funding received from other government schemes cannot be used to meet co-funding requirements of the SHDF – Wave 1 Grant.
28. Applicants who have been successful under the SHDF Demonstrator may apply for funding under this SHDF – Wave 1 with different housing stock, subject to the Proposal complying with the eligibility criteria for this scheme, as set out in Section 2 of the SHDF Competition guidance document³.
29. The Authority takes full responsibility for ensuring that any blending of funding is compliant with each individual scheme and the respective requirements and objectives for each fund is met.
30. SHDF – Wave 1 is grant funding from public funds, therefore, for the purposes of the RHI any funding from SHDF – Wave 1 for low carbon heating measures must be declared to Ofgem (the RHI scheme administrator) when an accreditation application to the RHI is made. The SHDF – Wave 1 grant amount will then be deducted from the Authority's RHI payments as per the RHI rules on grant funding. Potential applicants to the RHI should be aware of the RHI eligibility criteria and scheme rules. More information on the RHI can be found [here](#) and [here](#).
31. The Authority can, however, blend funding they receive from SHDF – Wave 1 with third party finance or local authority budgets to deliver additional support to communities.
32. The Secretary of State intends to utilise data matching between schemes in order to monitor that the same measure installed in the same home is not claimed for under different schemes.

SUBSIDY CONTROL

33. The Authority acknowledges that they must ensure that the funding awarded is compliant with all current Subsidy Control legislation applicable in the United Kingdom.

Where the Grant will be passed from the Authority to a Private Registered Provider, for example a Housing Association as part of a consortium, this will be

3

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1016303/shdf-wave-1-competition-guidance.pdf

MEMORANDUM OF UNDERSTANDING

considered a subsidy in accordance with the task of social housing under Services of Public Economic Interest. The requirements can be found within the [EU-UK Trade and Cooperation agreement](#) and the subsequent guidance from the department of [Business, Energy and Industrial Strategy \(BEIS\)](#).

In instances of the Authority using the Grant on their own social housing stock – this will not be considered a subsidy.

Where leaseholder or freeholder (right to buy) properties are included in the Proposal, the Small Amounts of Funding Exemption⁴ applies. To receive funding under this exemption, landlords should declare to the Authority that the support they are receiving does not exceed 325,000 Special Drawing Rights⁵ threshold across three financial years from all public sources. A declaration has been provided at Annex 10 of this MoU. Subsidies below this amount are exempt from the application of the subsidy's provisions of the TCA.

34. To minimise the risk that a court of competent jurisdiction requires grant funding to be repaid, the Authority will:
 - a. Comply with any applicable subsidy control regime in its use of the Grant and its delivery of the Proposal; and
 - b. Ensure that use of the Grant in connection with the Proposal complies with any applicable subsidy control regime.
35. The Authority must obtain and retain all declarations and information as may be required to enable both the Authority and the Secretary of State to comply with any applicable subsidy control regime, and to provide copies of such declarations and information to the Secretary of State when required to do so.

PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES

36. The Authority will, in delivering the Proposal:
 - a. Comply with all relevant requirements of UK law relating to public procurement in force and applicable from time to time.
 - b. The Authority will give due consideration to the use of Small & Medium Enterprises (SMEs) within the supply chain and ensure contracting and sub-contracting opportunities are advertised as such to encourage participation of SME and local supply chains. BEIS has its own SME action plan⁶.
 - c. When conducting procurement activities, the Authority will comply with the obligations under the Equality Act 2010 and its associated Public Sector Equality Duty.
 - d. The Authority will comply with the Local Government Transparency Code 2015.

⁴ See the 'UK-EU Trade and Cooperation Agreement frequently asked questions' in the BEIS guidance, available [here](#).

⁵ Public authorities should use the [International Monetary Fund SDR convertor](#) to determine the Stirling equivalent amount.

⁶ <https://www.gov.uk/government/publications/beis-small-and-medium-enterprises-sme-action-plan>

SUPPLY CHAIN MANAGEMENT EXPECTATIONS

37. The Authority acknowledges that when managing its supply chain it should expect its suppliers and subcontractors to meet the standards set out in the Government Supplier Code of Conduct published by the HM Government on best practise expectations⁷.

PROMPT PAYMENT

38. In delivering the Proposal, the Authority will, unless the Secretary of State agrees otherwise in writing, pay the person from whom any goods, works or services are purchased within 30 days of receiving a valid undisputed invoice from that contractor.
- a. The Authority will also ensure this payment timeline is included within any sub-contract arrangements of the contractor.
39. The Authority will ensure that where it uses third-party delivery partners, in accordance with paragraph 24, that the funding provided is also paid within 30 days of receiving a valid undisputed invoice from that contractor, or from receiving an acceptable proposal from a public body.
- a. When payment is made in accordance with Paragraph 39, the Authority will ensure that these payment timelines are included within any sub-contractors of the third parties in accordance with Paragraph 24.

MODERN SLAVERY, CHILD LABOUR AND INHUMANE TREATMENT

40. The Authority acknowledges throughout the Grant Funding Period that it should maintain its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and include in its contracts with its suppliers and subcontractors anti-slavery and human trafficking provisions.
41. If the Authority becomes aware of any concerns that any part of the supply chain may have breached the Modern Slavery Act 2015 then this must be reported within the Risk Management procedure and the Project Team be informed instantly.

COMMERCIAL USE OF THE GRANT

42. The Authority will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed as part of the Proposal. If the Authority does so, it will:

7

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf

MEMORANDUM OF UNDERSTANDING

- a. Inform the Secretary of State immediately and in writing; and
- b. Agree that the Grant may be reduced by the amount of that revenue or gain (as the case may be).

GRANT WITHDRAWAL AND REPAYMENT

43. In accordance with paragraphs 43 to 49, it is the understanding of the Parties that the Secretary of State may request the Authority to repay all, or any proportion of, the Grant, together with interest (calculated in accordance with paragraph 47).
44. The Authority accepts that the Secretary of State may exercise the options referred to in paragraph 43 where the Secretary of State:
 - a. is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or other competent authority;
 - b. Has reasonable grounds to consider that the payment of the Grant, or the Authority's use of it, contravenes any requirement of law, in particular (but without limitation) law relating to subsidy control; or
 - c. Has reasonable grounds to consider that the Grant was irregularly obtained or spent in a way that does not meet the SHDF – Wave 1 scope referred to in paragraphs 15 to 20.
45. When exercising the options referred to in paragraph 43, the Secretary of State will notify the Authority of the grounds concerned and as far as possible, consider the Authority's representations made within any reasonable timeframe required by the Secretary of State.
46. A decision by the Secretary of State to ask the Authority to repay the Grant will be communicated by letter, and the Authority will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Secretary of State in writing.
47. Where the Secretary of State requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:
 - a. the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - b. any other rate required by law in the circumstances, including subsidy control, if it is higher.
48. Where the Authority does not make the relevant payment within the timeframe specified in paragraph 46, further interest on the outstanding sum (inclusive of interest already charged under paragraph 47 will accrue, after that deadline, at the statutory rate of interest under Section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher).
49. Should the Secretary of State not exercise their options under paragraph 43 or delay in doing so, this will not constitute a waiver of those options unless the

MEMORANDUM OF UNDERSTANDING

Secretary of State confirms such a waiver in writing. Furthermore, any such written waiver will not be taken as a precedent for any other, or subsequent, circumstances.

SUSPENSION

50. The Secretary of State may suspend delivery of the Proposal where:
 - a. One of the grounds in paragraph 44 arises.
 - b. The Secretary of State has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise; or
 - c. One of the provisions of the MoU is not met by the Authority.
51. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
 - a. The Authority will continue to comply with the requirements of this MoU including any deadlines occurring during the period of suspension; but
 - b. The Authority will not make any further use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.
52. The Authority will inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 44 might arise or that it will not be able to meet the provisions of the MoU. If such concerns arise after the Authority has received the Grant, the Authority will not make any use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.

AGREED USE OF UNDERSPEND

53. In the event that the Authority does not use all the Grant to secure delivery of the Proposal by the end of the Funding Period:
 - a. The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the expected scope and outcomes of SHDF – Wave 1. Where this is the case, the Authority will notify the Secretary of State by 31st December 2022.
 - b. The Secretary of State reserves the right to determine an extension to the Funding Period, should the Authority provide a request in writing to do so as per paragraph 13.
 - c. If the Parties are unable to reach an agreement described in sub-paragraph (a), the Authority agrees to repay the unspent Grant within 30 days of the end of the Funding Period.

GOVERNANCE

54. On a monthly basis, the Authority will provide a monthly report to the Project Team acting on behalf of the Secretary of State on or before the 10th working day of each month (the “Monthly Report”) for the month prior. For example, the report covering the delivery period of 1 - 30 April 2022 will be required to be submitted on or before the 13th of May 2022. The Monthly Report will be submitted using a data management system created by the Project Team. All the data collected using the system will be compliant with UK GDPR, the Data Sharing Agreement

MEMORANDUM OF UNDERSTANDING

and Privacy Notice that will be given to the Authority, as outlined in the Performance section.

55. The Monthly Report should include, but is not limited to:
 - a. An overview of monthly progress on the project.
 - b. An update of the Authority's progress against Key Performance Indicators (KPIs) and project milestones (see paragraphs 82-83).
 - c. Top 5 risks, issues and/ or concerns that could impact on the project (see paragraph 69).
 - d. Any incidents of fraud.
 - e. Specific per home information, including but not limited to requirements outlined in Annex 7.
 - f. Any other items the Authority wishes to escalate to BEIS.
56. A full breakdown of the data reporting requirements expected from the Authority can be seen in Annex 7. The Secretary of State reserves the right to modify data requirements if required and this will be communicated to the Authority.
57. The Authority should put a system in place to enable the data (as set out in Annex 7: Data Requirements) to be collected. Where the Authority is part of a consortium, the Monthly Report will need to include inputs from all local authorities, housing associations and delivery partners within the Authority's consortium, through one consolidated Monthly Report.
58. To achieve the data reporting requirements set out in Annex 7, the Authority is expected to include data collection requirements into all relevant agreements with their third-party delivery partners, collate the data across their project(s) on a routine basis, while checking the data for completeness and identifying any missing or erroneous data.
59. Should the Project Team identify a significant variation in the Monthly Report performance of the project(s) against the targets stipulated in Paragraph 82 and 83, or the Authority raises a risk or concern that could potentially undermine the delivery of their project(s), the Project Team, on behalf of the Secretary of State, may request a recovery plan. See Annex 8, detailing the interventions that may be required to help recover the project(s).
60. The Project Team will determine if the interventions detailed in the recovery plan provide confidence of project recovery. If necessary, the Project Team will provide further recommendations to address areas of concern. The Project Team and the Authority will jointly agree a timescale to implement the interventions.
61. The Monitoring Officer and the Authority will have a regular monthly meeting to discuss the progress of delivery of the Proposal and any issues arising from the Monthly Report. Where applicable, the Project Team will issue the agenda and relevant actions from these meetings. At a minimum, the Authority will provide everything listed in paragraph 55 to the Project Team. The Project Team and the Authority may agree to schedule ad-hoc meetings outside of the monthly meetings. These requests will be considered on a case-by-case basis and

MEMORANDUM OF UNDERSTANDING

reasonable notice will be provided by the Project Team, as well as a proposed agenda.

62. The Authority will take all reasonable steps to accommodate site visits to the project site(s) by the Project Team, the Secretary of State, other Ministers of State or approved contractors. The Monitoring Officer will work with the Authority to ensure relevant documents and personnel are available for the site visits.
63. The purpose of the site visits will be to enable the Project Team, or approved contractors, to conduct a visual inspection of project progress, to discuss the progress and or future direction of the project and to conduct administrative checks on the project's on-site audit trails.

CHANGE REQUESTS AND VARIATIONS

64. The Authority will notify the Project Team via email if there are any variations from the project Proposal in relation to delivery (time, cost or performance). If the Project Team consider the variation to the project Proposal to be substantive, the Project Team will confirm to the Authority that a formal Change Request is required via a standardised proforma, to be submitted to the Project Team via email.
65. The Project Team will contact the Authority to conduct an initial review of the submitted change request to gather further information, including its impact on the project and overall programme.
66. The Project Team will conduct an internal assessment on how to respond to the Change Request and advise the Authority whether the request has been accepted or rejected in writing within 5 - 30 working days (depending on the nature of the change).
67. If the Authority disagree with the response, they should write to the SHDF Programme Director explaining their concerns with 5 working days of receiving the initial response.
68. No variation of this MoU will be effective unless it is agreed in writing and signed by both Parties. This does not prevent either Party making reasonable changes in relation to the administrative arrangements in the MoU (such as contact details) by notice in writing to the other Party, without such agreement in writing signed by both Parties.

RISK MANAGEMENT

69. The Authority agrees to provide assurance that risks in relation to the Proposal have been identified and plans are in place to mitigate them. The Authority will complete the Risk Register in Annex 4 and return it to the Secretary of State as part of their MoU submission (please refer to Paragraph 115, Table 3 for details of when this should be provided).

MEMORANDUM OF UNDERSTANDING

70. In providing assurance about the management of risks the Authority will identify risks and issues which arise from its own activities and those which arise from third parties, including those delivering measures or services under the scheme and those referring potential scheme recipients or otherwise publicising the scheme.
71. The Authority will also include any other risks not included in the preceding paragraph 69 which it believes are relevant to the scheme.
72. As part of the Monthly Report, the Authority will report the status of the risks and issues identified within the Risk Register, including on the implementation of mitigating actions, and whether any new risks or issues have emerged. The report will also provide a statement as to whether risk management is effective and whether any remedial action is necessary. The Authority will share both the risks it is managing, and risks raised by local authorities or any other third-party delivery partners.
73. As soon as it becomes apparent to the Authority or the Project Team that a risk will significantly impact on the delivery of the Proposal, the Project Team and the Authority will together develop and work through recommendations to address each area of concern.

FRAUD

74. As part of the delivery of the Proposal, the Authority will be responsible for carrying out or arranging for the reasonable ongoing due diligence, controlling, monitoring, reporting, as well as managing any specific cases of suspected or identified fraud.
75. The Secretary of State has specified that all Authorities funded through SHDF – Wave 1 should, at a minimum, have a robust fraud risk assessment in place, with mitigating counter fraud actions, to provide assurance about the management of fraud risks. The Authority agrees to provide a completed fraud risk assessment to the Secretary of State upon request.
76. The Authority acknowledges it should implement controls to reduce the risk of fraud where possible, considering the following options when doing so:
 - a. Implementing strategies regarding Counter Fraud, Bribery and Corruption.
 - b. Staff awareness through training and educating all employees on fraud risk and appropriate action to take if fraud is suspected.
 - c. Aiming to design fraud out of the Authority's stages of the grant process.
 - d. Through regular risk assessments throughout the Projects time frame.
 - e. The use of the Authority's Audit officer to proactively look for the potential fraud.
 - f. Appropriate whistleblowing arrangements to support the reporting of fraud.

MEMORANDUM OF UNDERSTANDING

- g. Regular site visits in regard to oversight of the delivery implementation.
77. In accordance with paragraphs 75 and 76, incidents of fraud will continue to be reported monthly throughout the Funding Period.
78. The Authority will inform the Project Team at the earliest opportunity of any reports it has received or identified relating to any suspected fraudulent activity relating to the delivery of the Proposal and include a summary of investigative and/or corrective action.

PERFORMANCE

79. During the Funding Period, the Authority will submit a Monthly Report to the Project Team, as outlined under the Governance section, on or before the 10th working day of each month.
80. The performance of the Authority will be determined in two ways.
- a) The KPIs within the Monthly Report will be reviewed against expected performance, see paragraph 82.
 - b) A review of progress to achieve key project milestones, defined in paragraph 83, compared to the time forecasted to complete the milestones, as outlined in the Updated Baseline Milestone Schedule (see Annex 6b).
81. The baseline referred to in the KPI description is the Updated Project Baseline Milestone Schedule as detailed in Annex 6b.
82. Key performance indicators table:

Ref	KPI Title	Definition	Performance rating - monthly report (what have you completed within the reporting period)	Forecast – end of the project (what do you forecast will be achieved by the end of the project)
KPI 1	Number of properties completed the PAS2035 risk assessment stage (Milestone 2)	The number of properties that have completed the PAS2035 risk assessment stage (Milestone 2) in month, and total cumulative all months. Performance targets for month and cumulative will be taken from the Project baseline.	Green – 90% - 100% of the monthly target completed. Amber – 89% - 60% of the monthly target completed. Red – Less than 60% of the monthly target completed.	Green – 90% - 100% of the baseline plan to be achieved by the end of the project. Amber – 89% - 60% of the baseline plan to be achieved by the end of the project. Red – Less than 60% of the baseline plan to be achieved by the end of the project.
KPI 2	Number of properties completed PAS2035 Dwelling Assessment stage (Milestone 3)	The number of properties that have completed the PAS2035 Dwelling Assessment stage (Milestone 3) in month, and total cumulative all months. Performance targets for month and cumulative will be taken from the Project baseline.	Green – 90% - 100% of the monthly target completed. Amber – 89% - 60% of the monthly target completed. Red – Less than 60% of the monthly target completed.	Green – 90% - 100% of the baseline plan to be achieved by the end of the project. Amber – 89% - 60% of the baseline plan to be achieved by the end of the project. Red – Less than 60% of the baseline plan to be achieved by the end of the project.

MEMORANDUM OF UNDERSTANDING

KPI 3	Number of properties completed the design & coordination stage of the project	The number of properties that have completed the design & coordination stage (Milestone 4) in month, and total cumulative all months. Performance targets for month and cumulative will be taken from the Project baseline.	Green – 90% - 100% of the monthly target completed. Amber – 89% - 60% of the monthly target completed. Red – Less than 60% of the monthly target completed.	Green – 90% - 100% of the baseline plan to be achieved by the end of the project. Amber – 89% - 60% of the baseline plan to be achieved by the end of the project. Red – Less than 60% of the baseline plan to be achieved by the end of the project.
KPI 4	Number of privacy notices issued to tenants and installers	The amount of privacy notices issued to tenants and installers outlining their right to opt in to take part in BEIS Monitoring & Evaluation activity in month, and total cumulative all months. Performance targets for month and cumulative will be taken from the Project baseline.	Green – 90% - 100% of the monthly target completed. Amber – 89% - 60% of the monthly target completed. Red – Less than 60% of the monthly target completed.	Green – 90% - 100% of the baseline plan to be achieved by the end of the project. Amber – 89% - 60% of the baseline plan to be achieved by the end of the project. Red – Less than 60% of the baseline plan to be achieved by the end of the project.
KPI 5	Number of properties completed	The number of properties that are deemed complete, i.e. completed the installation stage (Milestone 7) and have been registered in the TrustMark Data Warehouse, or equivalent, (Milestone 8) in month, and total cumulative all months. Performance targets for month and cumulative will be taken from the Project baseline.	Green – 90% - 100% of the monthly target completed. Amber – 89% - 60% of the monthly target completed. Red – Less than 60% of the monthly target completed.	Green – 90% - 100% of the baseline plan to be achieved by the end of the project. Amber – 89% - 60% of the baseline plan to be achieved by the end of the project. Red – Less than 60% of the baseline plan to be achieved by the end of the project.
KPI 6	Total project spend, including Grant Funding	The amount of funding spent compared to the baseline project spend profile (+/-), including any co-funding, in month, and total cumulative all months. Targets for month and cumulative will be taken from the Project baseline.	Green – <10% under/overspend in the monthly reporting period, compared to baseline spend profile. Amber – Between 11% - 39% under/overspend in the monthly reporting period, compared to baseline spend profile. Red – >40% under/overspend in the monthly reporting period, compared to baseline spend profile.	Green – <10% under/overspend by the end of the project compared to Cost Baseline. Amber – Between 11% - 39% under/overspend by the end of the project compared to Cost Baseline. Red – >40% under/overspend by the end of the project compared to Cost Baseline.

83. Milestones table:

Ref	Title	Description	Planned Milestone Date	Time Measurement (time taken to complete vs. time specified within Proposal)
MS 1	Project Team Established	Project Team, including Retrofit Coordinator, appointed and governance regime established and approved.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date
MS 2	PAS 2035 Risk Assessment stage completed	All steps outlined under the PAS2035 Risk Assessment have been completed.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date

MEMORANDUM OF UNDERSTANDING

MS 3	Dwelling Assessment stage completed, including the Improvement option evaluation and mid-term plan as appropriate to the risk assessment path	All steps outlined under the PAS2035 dwelling assessment stage have been completed.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date
MS 4	Design & coordination stage completed	All steps outlined under the PAS2035 Design & Coordination stage have been completed.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date
MS 5	Procurement activity completed	All necessary procurement processes, including the execution of contract, for all core contractors to deliver the scheme as set out in the project plan have been completed.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date
MS 6	Installation stage started	Installation work, as defined under the PAS2035 Installation stage, has commenced.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date
MS 7	Installation stage completed	All steps outlined under the PAS2035 Installation stage have been completed.	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date
MS 8	Handover & data lodgement completed	All installation work has been completed and lodged with TrustMark or equivalent within the Data Warehouse	Determined by Updated Baseline Milestone Schedule	Green – delivered or on track to deliver less than 1 month late of Baseline plan date Amber - delivered or on track to deliver more than 1 month late but less 2 months later than of Baseline plan date Red – delivered or on track to deliver more than 2 month after Baseline plan date

84. If the Authority fails to provide their Monthly Report submission on or prior to the reporting deadline: The Project team will alert the Authority within 2 working days to submit the information. The Authority will be given a further 2 working days from this communication to rectify and send the information before the Project Team escalates this query to the BEIS Programme Director who will contact the agreed escalation point. If there is still no response within a further 2 working days, the BEIS Programme Director will escalate this further to the Authority's final agreed escalation point, if different.
85. The Project Team will provide a BEIS Privacy Notice (as published on the SHDF Wave 1 webpage on gov.uk alongside the Wave 1 competition documents)⁸ and Data Sharing Agreement (in Annex 5 of this MoU) to the Authority outlining what data will be collected, how it will be stored and how it will be used by the Parties.

⁸ <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund/social-housing-decarbonisation-fund-privacy-notice>

MEMORANDUM OF UNDERSTANDING

86. The Authority will need to submit the signed Data Sharing Agreement in accordance with Paragraph 115, Table 2 of this MoU.
87. The Authority must show the information on the BEIS Privacy Notice (as published on the SHDF Wave 1 webpage on gov.uk alongside the Wave 1 competition documents)⁹ to data subjects *alongside their own* Privacy Notice to ensure that data subjects are appropriately informed about the processing of their data by RPs and by BEIS. Failure to do so could constitute a breach of UK GDPR. A template privacy notice that RPs may choose to use as their own privacy notice is included in Appendix F of the DSA.
88. The Authority will notify all relevant parties of their data compliance obligations and ensure they are complying with them.

MONITORING, EVALUATION AND AUDIT

89. The Authority will support all activities in relation to monitoring, evaluation and audit. The Authority will:
 - a. Respond fully, truthfully and promptly to any enquiries the Secretary of State, or the Comptroller and Auditor General, or their representatives, may make about the Proposal or the use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify).
 - b. Allow the Secretary of State, the Comptroller and Auditor General, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site.
 - c. Where requested, ensure that any information or evidence provided to the Secretary of State, the Comptroller and Auditor General, or their representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
 - d. Give reasonable assistance to the Secretary of State or the Secretary of State's contractors to carry out work in connection with the Grant throughout delivery of the Proposal and up to two years after completion of the Proposal, for example as part of the Secretary of State's ongoing monitoring and evaluation commitments.
 - e. Cooperate with BEIS contractors on related evaluation projects (e.g. other BEIS economic stimulus projects i.e. SMETERS) and cooperate with the Secretary of State's appointed advisers.
 - f. Provide a Monthly Report to the Project Team using the Data Management System (DMS), created by BEIS. The Authority will ensure that the template spreadsheet (to be provided by BEIS at a later date) is completed and

⁹ As above

MEMORANDUM OF UNDERSTANDING

uploaded via a secure online portal on gov.uk. In the event the Authority, or an organisation uploading data on its behalf, is unable to upload the completed spreadsheet, the Authority will email the spreadsheet to BEIS as detailed on the online portal.

- g. Provide monthly data reporting on the status of their relevant projects.
- h. Include these data collection requirements in all relevant contracts with installers and delivery partners, ensuring they understand and accept them.
- i. Make available BEIS' privacy information (as published on the SHDF Wave 1 webpage on gov.uk, alongside the Wave 1 competition documents)¹⁰ to all data subjects, prior to the collection of data, to support compliance with data processing transparency requirements. The Authority will also be required to issue data subjects with their own privacy information. Appendix F of the DSA contains a template Privacy Notice that the Authority can choose to use, although they can use their own version if preferred. Their privacy notice(s) must mirror what is documented in the Data Sharing Agreement (provided in Annex 5 of this MoU), so that data subjects are notified about both BEIS', the Authority's and (where relevant) project consortia's handling of personal data. Where explicit consent is required from data subjects for further processing (e.g. as part of BEIS' independent evaluation work), the Authority will be expected to use BEIS consent statement (provided in Appendix G of the DSA) and maintain logs of this in their data as per the requirements.
- j. Agree and sign a standardised Data Sharing Agreement (see Annex 5 of this MoU) between the Secretary of State and the Authority, in accordance with Paragraph 115, Table 2 of this MoU and prior to any transfer of personal data.
- k. Demonstrate sufficient staffing resource in funding applications to manage the above requirements to an effective level of quality and maintain this level of resource for the full project duration.
- l. Attend and participate in regular Learning Community meetings, sharing relevant project insights, as agreed between the Parties.

RECORD KEEPING

- 90. The Authority will keep for ten years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate the below including dates for any agreements:
 - a. The identity of any third party concerned and their business.
 - b. The amounts any third party has been given.
 - c. The purpose for which the money was spent.
 - d. Evidence that contracts have been awarded, in accordance with public procurement law where they are required to be; and

¹⁰ <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund/social-housing-decarbonisation-fund-privacy-notice>

MEMORANDUM OF UNDERSTANDING

- e. Details of and information relating to any significant sub-contracting by the Authority.

DATA PROTECTION

91. In so far as it is possible to do so in accordance with the Data Protection Act 2018, the UK General Data Protection Regulation (UK GDPR) and the Market Research Society (MRS) Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Authority agrees to collect information for evaluation and reporting purposes (referred to below as “the Information”) in a way which:
 - Allows it to share the Information with BEIS, in accordance with the principles set out in the Data Sharing Agreement (See Annex 5) and as referenced in the Monitoring, Evaluation and Audit section of this MoU.
 - Allows BEIS to share the Information with any of its research or evaluation service providers.
 - Allows BEIS to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households) provided always that BEIS complies with the provisions of the Data Protection Act 2018 and UK GDPR.
 - Allows BEIS to keep names and contact details of the Authority and its delivery partners on file for use in the in-house CRM system to enable better relationship management (see the BEIS privacy notice, as published on the SHDF Wave 1 webpage on gov.uk alongside the Wave 1 competition documents).
92. Further guidance on meeting these data protection requirements will be given to the Authority at a BEIS-hosted data briefing once funding has been awarded.

FREEDOM OF INFORMATION

93. The Parties may be obliged to disclose information relating to SHDF– Wave 1, the Grant, and the Proposal under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.
94. The Parties will assist and cooperate with each other as reasonably requested to facilitate compliance with those requirements.
95. In the event that the Secretary of State provides information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the Secretary of State may make that response publicly available for the purposes of transparency.

MEMORANDUM OF UNDERSTANDING

INTELLECTUAL PROPERTY

96. In undertaking the Proposal, the Authority will not infringe the intellectual property rights of any third party.
97. Where the Proposal gives rise to the generation of any intellectual property, the Authority will not subsequently seek to make profit from the use of such intellectual property, for example through the grant of licences.
98. Unless otherwise agreed by the Secretary of State, the Authority will allow the Secretary of State royalty free use of any intellectual property created whilst delivering the Proposal.

COMPLIANCE WITH THE LAW

99. The Authority will comply with all laws and regulatory requirements when delivering the Proposal (including, without limitation compliance with all laws and regulatory requirements relating to public procurement and subsidy control).
100. In signing this MoU, the Authority confirms that use of the Grant for the purpose of the Proposal and in accordance with the MoU is in compliance with all laws and regulatory requirements.

ANTI-DISCRIMINATION

101. The Authority will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

RESPONSIBILITY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS

102. The Authority will ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering the Proposal (whether or not as part of a Consortium) comply with the commitments and principles set out in the MoU and will be responsible for any failure by them to meet those commitments and principles.

WARRANTIES

103. The Authority warrants that:
 - a. It has full capacity and authority to deliver the Proposal and to enter into this MoU.
 - b. It will obtain any consents necessary to undertake the Proposal.
 - c. The information and evidence in its Proposal remains true, complete and accurate, and that its circumstances have not materially changed since submitting its Proposal; and

MEMORANDUM OF UNDERSTANDING

- d. It does not know of the existence of any circumstances which might materially and adversely impact on its ability to undertake the Proposal or observe the provisions and principles of this MoU.

LIMITATION OF LIABILITY

104. The Authority confirms that the Secretary of State's liability to the Authority is limited to payment of the Grant (subject to the Authority meeting the commitments and principles of the MoU and its Annexes and to the Secretary of State's rights set out therein). The Authority remains entirely responsible for its risks and liabilities in undertaking the Proposal, and the Secretary of State will have no liability for any consequence, direct or indirect, that may arise through the Authority's undertaking of the Proposal or its use of the Grant.

ASSIGNMENT

The Authority will not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this MoU without the approval in writing of the Secretary of State.

STATUS

105. This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MoU. The Parties do, however, enter into the MoU intending to honour all their commitments under it.
106. Nothing in this MoU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, the Authority will not hold itself out as having any such relationship with the Secretary of State.

FURTHER FUNDING

107. The Secretary of State is under no obligation to provide the Authority with any further funding in respect of the Proposal or for any other purpose.

REFERENCES

108. In this MoU references to legislation are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this MoU).

MEMORANDUM OF UNDERSTANDING

NOTICE AND COMMUNICATIONS

109. The Authority will be able to contact BEIS using the following email address:

shdf.wave1.mou@beis.gov.uk

110. The Authority's day to day contacts with the BEIS on any working day by email between 9am and 5pm are:

<p>Paul Whittingham - Project Lead Email: paul.whittingham@southderbyshire.gov.uk Telephone: 01283 595984</p> <p>Craig Lodey - Business Change Manager Email: craig.lodey@southderbyshire.gov.uk</p>
--



111. The Authority's day to day contacts for BEIS are:

NAME	Role	EMAIL	TELEPHONE
Jill Craig	Project Manager	Jill.craig@ricardo.com	01235 750 000
Eireann Harkins	Deputy Project Manager	Eireann.harkins@ricardo.com	01235 753 438

ESCALATION

112. If Secretary of State or the Authority has any issues, concerns or complaints about SHDF – Wave 1, SHDF – Wave 1 Projects, or any matter in this MoU, that party will notify the other party and the Parties will then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter will be escalated to the senior management teams of both parties, which will decide on the appropriate course of action to take. If the matter cannot be resolved by the senior management teams within 60 (sixty) days, the parties will consider mediation as an alternative dispute resolution process.

113. Claims made by a supplier or requests for information made under the Freedom of Information Act 2000 in relation to the SHDF – Wave 1 that party will promptly inform the Programme Board (or its nominated representatives) of the matter.

MEMORANDUM OF UNDERSTANDING

Signed for and on behalf of the Secretary of State.

Signature

Name:

Position:

Date:

Signed for and on behalf of the Authority.

Signature:



Name:

Position:

Date:

115. DOCUMENTS TO BE PROVIDED

Table 1: Documentation to be provided by the Authority before the Grant will be released and as soon as possible or by the 28th February 2022 at the latest, once LAs have been notified that their applications have been successful.

What needs to be provided?	Annex/Location
A signed copy of this MoU	This document
A signed copy of the Section 151 or Section 73 Officer declaration	Annex 1
A completed Grant Claim Form including Bank Details (AP1a Form)	Annex 3 Annex 9
Updated Baseline Milestone Schedule	Annex 6b
Small Amounts of Funding Exemption Declaration	Annex 10

Table 2: Documentation to be provided by the Authority alongside the documents in Table 1, unless exceptional circumstances prevail in which case this should be returned no later than the 15th April 2022.

What needs to be provided?	Annex
A signed copy of the Data Sharing Agreement (DSA)	Annex 5

Table 3: Documentation to be provided by the Authority alongside the first Monthly Report

What needs to be provided?	Annex
Completed Risk Register	Annex 4

Table 4: Additional documentation to be completed or acknowledged by the Authority as required.

What needs to be provided?	Annex
Approved Application Proposal (From the Authority's submission and approved through the Assessment Stage of the Grant application process)	Annex 6a
Monthly Report Data Requirements Template (monthly requirement for Authority as stated in paragraph 55)	Annex 7
Recovery Plan Template (only if the Project Team identifies in the Monthly Report a significant variation in Authority performance against their targets stipulated in relation to the KPIs, they may, on behalf of the Secretary of State, request a recovery plan)	Annex 8

MEMORANDUM OF UNDERSTANDING

Annex 1: Section 151 or Section 73 Officer Declaration

In my position as the Section 151 or Section 73 Officer for South Derbyshire District Council I confirm that:

1. South Derbyshire District Council will accept the grant funding that has been offered through the SHDF – Wave 1 Delivery.
2. The information and evidence pertaining to this grant claim is complete, true and accurate.
3. South Derbyshire District Council will ensure the delivery of the Services in accordance with the terms of the Proposal; and
4. South Derbyshire District Council will comply with the provisions of the Memorandum of Understanding dated ____/____/2022 in connection with its delivery of the Proposal.

SIGNATURE

NAME



POSITION

DATE

Annex 2: Grant Determination

Social Housing Decarbonisation Fund Wave 1 DETERMINATION (2021/22): (No 31/5919)

The Secretary of State for Business, Energy & Industrial Strategy (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the [Social Housing Decarbonisation Fund Wave 1] Determination (2021/22) [No 31/5919].

Purpose of the grant

2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

Determination

3) The Secretary of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Grant conditions

4) Pursuant to section [31(3) and] 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

5) Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

Signed by authority of the Secretary of State for Business, Energy & Industrial Strategy

*****,

****,

Energy Efficiency and Local, Department for Business, Energy & Industrial Strategy

MEMORANDUM OF UNDERSTANDING

ANNEX A of the Grant Determination

Authority to which grant is to be paid	Amount of grant. to be paid.
South Derbyshire District Council	£1,099,834.75

ANNEX B of the Grant Determination

GRANT CONDITIONS

GRANT CONDITIONS

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Energy Efficiency and Local Division of the Department for Business, Energy and Industrial Strategy a declaration, to be received no later than 28th February 2022, in the following terms:

“In our opinion, in all significant respects, the conditions attached to Social Housing Decarbonisation Fund Wave 1 DETERMINATION (2021/22): (No 31/5919) will be complied with to the best of our knowledge and belief with ongoing appropriate investigations and checks”.

3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Secretary of State may-

- a. reduce, suspend or withhold grant; or
- b. by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Secretary of State under paragraph 3(b) shall immediately become repayable to the Secretary of State.


Date:



Annex 3: Grant Claim Form

SECTION 1 REQUESTER DETAILS	
LOCAL AUTHORITY	South Derbyshire District Council
BANK DETAILS <ul style="list-style-type: none"> Bank name & address Sort code Account number Account name 	Barclays Bank, Level 4, Chapel Quarter, Nottingham NG1 6HQ 20-63-36 60564869 South Derbyshire District Council (General Account)
PURCHASE ORDER NUMBER	(to be filled in by BEIS once returned)
CONTACT NAME	Charlotte Jackson
TELEPHONE NUMBER	01283 595901
EMAIL ADDRESS	charlotte.jackson@southderbyshire.gov.uk

SECTION 2 CLAIM DETAILS	
SOCIAL HOUSING DECARBONISATION FUND WAVE 1 - TOTAL TO BE CLAIMED	£1,099,834.75
DATE OF CLAIM	February 2022
<i>Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim.</i>	

SECTION 6: SENIOR LOCAL AUTHORITY OFFICER'S DECLARATION	
<p>I confirm that I have considered the Authority's Proposal (included as Annex 6a of the MoU) against which this Grant claim is made, as well as the principles set out in the Memorandum of Understanding for the Social Housing Decarbonisation Fund Wave 1, and that:</p> <ol style="list-style-type: none"> The information and evidence pertaining to this Grant claim is complete, true and accurate. We will comply with the principles set out in the Memorandum of Understanding. 	
Signed	
Printed name	
Position	
Date	

Annex 4: Risk Register

The template for this is attached separately as an Excel spreadsheet to enable completion.



Annex 5: Data Sharing Agreement (DSA)

Social Housing Decarbonisation Fund (SHDF) – Wave 1

Between the Secretary of State for Business, Energy & Industrial
Strategy (BEIS)

and

South Derbyshire District Council

Contents

Glossary of key terms	2
Signatory Details	3
Introduction	4
Principle 1 - Lawfulness, fairness & transparency	6
Principle 2 – Purpose Limitation	11
Principle 3 – Data minimisation	13
Principle 4 – Accuracy	13
Principle 5 – Storage limitation	14
Principle 6 – Integrity and confidentiality	15
Principle 7 – Accountability	16
Appendix A – Summary of Processing	23
Appendix B – Performance Data Sharing Diagram	24
Appendix C – Personal Data Sharing Diagram	25
Appendix D – Personal Data Journey	26
Appendix E – List of Data Items to be Shared with BEIS	27
Appendix F – Privacy Notice Template	34
Appendix G – Consent Form to Issue to Data Subjects	38
Appendix H – Key Contact Details	39
Appendix I – Signatories	40

Glossary of key terms

In this Data Sharing Agreement (DSA) the following words and phrases will have the following meanings:

Term	Explanation
“Authority”	means the local authority that is to sign this Agreement, that is: South Derbyshire District Council
“BEIS”	means the Department for Business, Energy & Industrial Strategy
“Consortium”	means a group of local authorities, housing associations and or private companies working together to deliver the Social Housing Decarbonisation Fund – Wave 1 under the MoU
“Controller”	has the meanings set out in Article 4 of the UK GDPR
“Data Subject”	has the meanings set out in Article 4 of the UK GDPR
“DPA”	means the Data Protection Act 2018
“DSA”	means Data Sharing Agreement
“Funding Period”	has the meaning given to it in the MoU
“Government Social Research Publication protocol”	means the “Government Social Research Publication protocol”, which are the principles for the publication of all government social research that is not regulated by the UK Statistics Authority
“MoU”	means the Social Housing Decarbonisation Fund – Wave 1 Memorandum of Understanding between the Secretary of State for Business Energy and Industrial Strategy and South Derbyshire District Council dated [BEIS insert date once signed]
“Partners”	means partners to this Agreement, namely the Secretary of State for Business, Energy & Industrial Strategy and: South Derbyshire District Council
“Personal data”	has the meanings set out in Article 4 of the UK GDPR
“Processing”	has the meanings set out in Article 4 of the UK GDPR
“Processor”	has the meanings set out in Article 4 of the UK GDPR
“Project Team”	means the Social Housing Decarbonisation Fund – Wave 1 project team within BEIS responsible for

	the delivery of the scheme, supported by their appointed delivery partner
“SHDF”	means Social Housing Decarbonisation Fund
“SHDF – Wave 1”	Means Wave 1 of the Social Housing Decarbonisation Fund
“Special Category data”	means the types of data listed in Article 9(1) of the UK GDPR
“The Code of Practice for Official Statistics”	means the Code of Practice for Official Statistics edition 2.0 (February 2018) published by the UK statistics authority
FoIA	means the Freedom of Information Act 2000
UK GDPR	means UK - General Data Protection Regulation (EU 2016/679), as retained in UK law and tailored by the Data Protection Act 2018

Signatory Details

The following are the agreement owners (herein: Partners) for this document:

BEIS Agreement Owner	
Name	Matt Harrison
Role	Programme Director, Social Housing Decarbonisation Fund
Email	matt.harrison@beis.gov.uk

The Authority Agreement Owner	
Name	
Role	
Email	

Introduction

1. This Data Sharing Agreement (herein: DSA) sets out an agreement between the Partners, which consists of South Derbyshire District Council (herein: the Authority) and the Secretary of State from the Department for Business, Energy & Industrial Strategy (herein: BEIS), on how data will be shared in relation to Wave 1 of the Social Housing Decarbonisation Fund (herein: SHDF – Wave 1).
2. The Social Housing Decarbonisation Fund (herein: SHDF) is a 2019 Conservative Manifesto commitment for a £3.8bn fund set up over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The SHDF will upgrade a significant amount of social housing stock currently below, and on an 'infill' based at or above, EPC Band C up to that standard; delivering warm, energy efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs.
3. The SHDF will be delivered through a series of individual projects (herein: Waves). The first wave of the programme (SHDF - Wave 1) will provide around £179m to England only projects to support Registered Providers of Social Housing, including Private and Local Authority Providers, to improve the energy performance of their social housing stock by installing Eligible Measures. The approximately £179m of funding is to be awarded in FY2021/22 and delivered through to March 2023.
4. We expect the SHDF to result in the following outcomes:
 - **Fuel Poverty:** Reduce the numbers in Fuel Poverty by improving the energy efficiency rating of social homes below EPC Band C and reducing energy bills. On this basis, tenant energy bills should not increase for equivalent home warmth, and it is expected that bills will reduce.
 - **Carbon:** Deliver cost effective carbon savings to contribute to carbon budgets, and progress towards the UK's target for Net Zero by 2050 by reducing CO2 emissions from Social Housing.
 - **Green Economy:** Support economic resilience and a green recovery in response to the economic impacts of Covid-19, supporting thousands of jobs.
 - **Tenants:** Improve the comfort, health, and well-being of Social Housing tenants by delivering warmer and more energy-efficient homes.
5. Under the Memorandum of Understanding (herein: MoU), the Authority agreed to:
 - a. Put a system in place to **collect data**, as set out in the MoU, for performance reporting, research, and evaluation purposes (herein: the Data).

-
- b. Ensure the Data is collated, **quality assured** and **shared with BEIS** in such a way as to meet the required reporting periods and date standards set out in the MoU.
 6. Additionally, under the MoU, the Authority agreed to collect the Data in a way that:
 - a. Allows it to be shared with BEIS, in accordance with the principles set out in this Data Sharing Agreement and as referenced in the Monitoring, Evaluation and Audit section of the MoU.
 - b. Allows BEIS to share it with any of its research or evaluation service providers.
 - c. Allows BEIS to use it for research and statistical purposes (this does not include publishing the information in a way that identifies individual households) provided always that BEIS complies with the provisions of the Data Protection Act 2018 and UK GDPR.
 - d. Allows BEIS to keep names and contact details of the Authority and its delivery partners on file for use in the in-house CRM system to enable better relationship management (see the BEIS privacy notice, as published on the SHDF Wave 1 webpage on gov.uk alongside the Wave 1 competition documents).
 7. This **DSA documents the lawful basis for this data sharing initiative**, what information will be shared and how. The Partners have entered into this DSA to demonstrate that data protection and privacy requirements have been taken into account, to set out how use of information meets the data protection principles under UK General Data Protection Regulation (herein: UK GDPR), as defined in Section 3(10) of the Data Protection Act 2018 (herein: DPA 2018), and how the rights of data subjects are protected.
 8. This DSA is not a contract and is **not legally binding**. It does not create a legal power for either Partner to lawfully exchange and process personal information, and it does not provide indemnity from action under any law. It does not remove or reduce the legal obligations or responsibilities on any Partner.
 9. **The Partners enter this DSA intending to honour all provisions outlined within.**
 10. This is a new DSA that relates to the collection and processing of data created as a result of the SHDF - Wave 1. This DSA will commence when it has been signed by all Partners and will terminate on **31st March 2025**.

Principle 1 - Lawfulness, fairness & transparency

11. The contact details of delivery teams and property information are personal data, as individuals may be personally identifiable. BEIS requires this data to monitor, facilitate and support the delivery of SHDF – Wave 1, to perform a task in the public interest. Aggregated delivery data shared will also support statistical reporting and evaluation of the SHDF – Wave 1 and the overarching SHDF programme, to provide accountability in the use of public funds. As such, both are necessary to share with BEIS on the legal basis of **public task**, as defined under Article 6(1) of UK GDPR.
12. BEIS also request the personal data of delivery teams, installers and tenants for evaluation research purposes. This research enables BEIS to report the effectiveness of SHDF – Wave 1. It enables BEIS to evaluate whether SHDF – Wave 1 has delivered value-for-money, realised its intended benefits and inform future policymaking in the fields of energy efficiency, fuel poverty and health. This personal data should only be shared with BEIS for evaluation purposes on a **consent basis**.
13. BEIS' data sharing with Partners under this DSA does not involve the processing of personal data relating to criminal convictions, offences or related security measures, nor does it involve the processing of Special Category data.

Data to be shared

14. The Authority has agreed to provide BEIS with the data as described below and set out in the relevant paragraphs, sections and or annexes within the MoU:
 - a. SHDF – Wave 1 **project performance data** (herein: Performance Data), as defined by the Governance section (paragraphs 54 to 63), Performance section (paragraphs 79 to 88) and Annex 7 of the MoU. Property information may be personally identifiable, and as such be categorised as personal data. This data includes but is not limited to:
 - i. An overview of monthly progress on the project.
 - ii. An update of the Authority's progress against Key Performance Indicators (KPIs) and project milestones
 - iii. Top risks, issues and or concerns that could impact the project
 - iv. Any incidents of fraud.

-
- v. Specific per property information, including but not limited to requirements outlined in Annex 7 of the MoU.
 - vi. Any other items the Authority wishes to escalate to BEIS.
- b. SHDF – Wave 1 **monitoring and evaluation data** (herein: M&E Data), as covered by the Monitoring, Evaluation & Audit section (paragraph 89) of the MoU. This data may contain personal information data as defined by UK GDPR. This data includes but is not limited to:
- i. Qualitative and or quantitative data obtained through the **delivery team’s participation in research** led by an evaluation partner appointed by BEIS. This research will ensure that wider insights can be provided on the experience of delivering SHDF – Wave 1. BEIS will confirm plans for delivery team participation in the evaluation research during the spring of 2022.
 - ii. Contact details and consent of **households** and **installers** engaged in the scheme to be contacted for feedback on the scheme.
 - iii. **Data from households** receiving measures and installers delivering them, as set out in Annex 7 of the MoU, including but not limited to installation data, household engagement data, installer data and project delivery data.
15. The data provided by the Authority maybe linked to and or compared against other existing datasets or models within BEIS for compliance, evaluation, and performance reporting purposes.

How data will be shared

16. BEIS will provide a system for projects to securely transfer the Data they have collected under this DSA to share with BEIS. Diagrams visualising the data sharing process are available in *Appendices B-D – BEIS’ Data Sharing Process* of this DSA.
17. The Authority is responsible for ensuring there is a system in place to securely collect and store this Data. This system must include data supplied from other participating local authorities, housing associations, or partners where they are forming a Consortium. It must also put measures in place to ensure consent for data subjects to enable data sharing on this legal basis.
18. The Authority, or its appointed third party, will share this data with the SHDF – Wave 1 Project Team via a password-protected report, for example using Egress, a secure file transfer protocol and or restricted folders on SharePoint, or through

an alternative data collection system that has been approved by the SHDF – Wave 1 Project Team and the BEIS Chief Information Security Officer (CISO) as being suitable for the transfer and storage of personal data.

19. Data sharing under this DSA will be shared from execution and up to 31st March 2025 to enable the successful delivery of scheme evaluation activity.
20. BEIS will share the contact details of the Authority's delivery team with its SHDF delivery partners, such as the SHDF Wave 1 – Scheme Administrator (Ricardo), as necessary to deliver BEIS' energy efficiency schemes.
21. BEIS will share M&E Data with its SHDF research, evaluation partners as appropriate. There are also circumstances under which BEIS may share M&E Data with other Government Departments. These circumstances are detailed further below in paragraphs 45-50, under *Principle 2 – Purpose Limitation*.
22. Where BEIS decides to share personal data received under this DSA, it will ensure the data transfer is performed using a method approved by the BEIS Chief Information Security Officer (CISO), the preferred mechanism being restricted areas on MS Egress.
23. At all times, BEIS and the Authority will ensure all personal data shared under this DSA is stored in restricted folders held on restricted access secure servers.
24. Further information about the safekeeping of the data is set out further below under *Principle 6 – Integrity & Confidentiality*.

Legal gateways

25. The Partners of this DSA share Performance Data and the personal data of the delivery team on the legal basis of **public task**, as defined by Article 6(1)(e) of UK GDPR. It is necessary for the performance of a task carried out in the public interest. This does not require consent.
26. The Partners of this DSA process and share the M&E Data on a **consent basis only**, as outlined by Article 6(1)(a) of UK GDPR.
27. Specifically, the data sharing and or processing is required in order to:
 - a. Enable BEIS to evaluate the effectiveness of existing and future policies

-
- b. Support BEIS's functions and departmental responsibilities relating to carbon reduction and Net Zero as defined by the Climate Change Act (2008).
 - c. Enable the Partners to carry out their responsibilities as regards to effectively managing the spending of public funding, including but not limited to BEIS reviewing how and where SHDF – Wave 1 funding has been spent and assessing whether this expenditure has enabled it to meet its objectives under the scheme.

d.

28. *Principle 2 – Purpose Limitations* provides further information for which processing of data under this DSA is needed.

Data controller relationship

29. The Authority and BEIS act as **joint data controllers** for personal data covered by this DSA. This includes when they collect data, are in receipt of it or share the data with others.

30. For all other personal data shared under this DSA, **the Authority and BEIS act as independent controllers**, and becomes an independent controller of that personal data on receipt of it. BEIS' limitations on onward disclosures in data processing are covered under *Forward Use - Onward Disclosure*, paragraphs 45-50 of this DSA.

Transparency

31. The Authority accepts responsibility for ensuring that **both BEIS' Privacy Notice and their own Privacy Notice** are provided to all households, installers and,

where applicable, Consortium Members in compliance with the DPA 2018 and UK GDPR.

32. The Authority will ensure that their Privacy information includes content that alerts the data subject to the fact that their personal data will be passed from **to the Authority** and then **from the Authority to BEIS**.
33. Furthermore, the privacy information will inform the data subject that their data might be used either in full or in part by BEIS for:
- a. The management and delivery of the scheme.
 - b. Evaluation, auditing, research, statistical and fraud prevention purposes;
Or
 - c. Be linked to other data sources held by BEIS, other Government Departments, contractors appointed by BEIS and or other third parties for any of these reasons aforementioned.
 - d. With their consent, be used by a third-party to invite them to participate in research about their experiences with the project.
34. BEIS have provided the Authority with BEIS' SHDF Privacy Notice, as published on the SHDF Wave 1 webpage on gov.uk alongside the Wave 1 competition documents. **The Authority is ultimately responsible for ensuring that all households, installers, and Consortium Members are provided with this BEIS privacy notice.**
35. The Authority must also ensure data subjects are informed of any of their own or their consortia organisations' processing of personal data, **via their own Privacy Notice**. The Authority may use the template Privacy Notice provided as guidance (see Appendix F of this DSA) or their own version. If the Authority decides to use their own version, they must ensure that it includes the information mentioned under paragraphs 31 to 33 of this DSA.
36. By agreeing to this DSA and the MoU, the Authority accepts responsibility **for seeking valid consent**, as defined by Article 4(11) of UK GDPR, from households, installers, and Consortium Members to be recontacted for the purposes of evaluation of SHDF – Wave 1 and, where appropriate, any further research and evaluation therein. A consent form is provided in Appendix G of this DSA and should be used by the Authority to seek consent.
37. The Authority will **maintain records of informed consent** and share Data with BEIS **in accordance with their data reporting requirements**. These requirements are set out under the Governance section (paragraphs 54 to 63), Performance section (paragraphs 79 to 88), Monitoring, Evaluation and Audit

section (paragraph 89) and Annex 7 of the MoU. The exact data items and formats requested are detailed under *Appendix E – List of Data Items to be Shared with BEIS*.

38. If a data subject informs either Partner and or its service providers, where applicable, that they are withdrawing consent, the Partner is responsible for communicating the withdrawal of consent to the other Partner. In this scenario, BEIS will be responsible for ensuring the data subject is no longer contacted by BEIS and or its service providers, for the purpose of evaluation of SHDF – Wave 1 and related further research and evaluation.
39. Where consent has been withdrawn by the data subject, BEIS will seek to cease contact with the data subject as soon as reasonably practicable.
40. BEIS and the Authority, as part of their ongoing requirements to comply with UK GDPR or its successor legislation, where applicable, will keep their Privacy Notices under ongoing review. Where legislative changes are made, BEIS and the Authority will communicate these to the data subject as soon as reasonably practicable to ensure that the data subject's rights are maintained and complied with.

Principle 2 – Purpose Limitation

41. The Authority will, where necessary, disclose personal data to BEIS as part of its data reporting requirements, as set out in the MoU and this DSA. The primary purposes for sharing and processing this data are to support:
 - a. The administration of SHDF – Wave 1.
 - b. An assessment of whether SHDF – Wave 1 has achieved its objectives.
 - c. BEIS to effectively publish statistical reports relating to SHDF – Wave 1.
 - d. An evaluation of SHDF – Wave 1 and any associated home energy or carbon reduction policies, where applicable.
 - e. Effective management of fraud and non-compliance under SHDF – Wave 1.
42. Additionally, BEIS may use all or some of the data shared by the Authority:
 - a. To review and develop existing or future Government policy.
 - b. For research, evaluation, and statistical purposes.
43. Where BEIS uses all or some of the data for research, evaluation, and statistical purposes this may be linked with data from other data sources held by BEIS or other Government Departments.

44. The analysis and research expected to be undertaken may include, but is not limited to:

- a. Analysing whether the presence of measures installed under SHDF – Wave 1 has led to a significant change in energy consumption. This may be done by comparing SHDF – Wave 1 measures data to other databases, including but not limited to: the National Energy Efficiency Database, Cavity Insulation Guarantee Agency and or other related similar operational databases.
- b. Linking and or comparing the SHDF – Wave 1 data to other datasets from other BEIS or HM Government administered energy efficient programmes to enable BEIS to assess the following without double counting properties:
 - i. Progress against fuel poverty targets.
 - ii. Insulation levels for the overall housing stock in Great Britain, and impact on remaining potential for cavity wall, solid wall, and loft insulation.
 - iii. The characteristics of recipient (e.g., location, property type, tenure, and vulnerability group) to inform future policy making.
- c. Address matching SHDF – Wave 1 installations through the National Energy Efficiency Data-Framework to maintain a central database of property characteristics, household characteristic, energy consumption and or Energy Performance Certificates (EPCs).

Further use and onward disclosure

45. To deliver SHDF, BEIS may need to share the Data with the SHDF – Wave 1 Scheme Administrator (Ricardo). Ricardo will be subject to UK GDPR compliance via commercial contract clauses, and only permitted to process personal data to execute a public task on BEIS' behalf.

46. To effectively audit and manage SHDF – Wave 1 and other Government schemes, BEIS may need to share SHDF – Wave 1 data with delivery partners of other current or future energy efficiency or low carbon heating government support schemes. This is to ensure that SHDF – Wave 1 funded installations are not already or subsequently subsidised under other Government schemes.

47. Where BEIS needs to share SHDF – Wave 1 data with delivery partners of current or future energy efficiency or low carbon heating government support schemes, BEIS will seek to use primarily anonymised or pseudonymised data to limit the use of personal data. Where this data sharing is necessary BEIS will put a data sharing agreement in place with the relevant delivery partner to support the sharing of the data.

-
48. BEIS will share SHDF – Wave 1 data with its third-party monitoring and evaluation contractor to support the delivery of research, evaluation, and auditing activities. This will be primarily to confirm that projects under SHDF – Wave 1 are complying with the scheme’s guidance and objectives. BEIS will put in place a DSA with its monitoring and evaluation contractor to support the sharing of data for this purpose.
49. Items included within onward disclosures **are limited** to those already outlined in this DSA (*Appendix E – List of Data Items to be Shared with BEIS*).
50. At all times, **BEIS will comply with the ‘data minimisation’ principle** set out in this DSA, in accordance with Article 5(1)(c) of UK GDPR. Wherever possible, BEIS will use aggregated, pseudonymised or anonymised data to limit onward disclosure of personal data. Where onward disclosure is required, BEIS will ensure that there is a DSA or contract in place to outline the legal basis for sharing the data, and that any onward disclosure of data is restricted to only the data that is required by the third party to support the purpose for which the data is being shared.

Principle 3 – Data minimisation

51. By agreeing to this DSA, each Partner confirms that the data being shared under this agreement is the minimum amount of personal data that is necessary to achieve the purposes for which it is being shared, as outlined by Article 5(1)(c) of UK GDPR.

Principle 4 – Accuracy

52. In accordance with the Governance section (paragraphs 54 to 63), Performance section (paragraphs 79 to 88), Monitoring, Evaluation and Audit section (paragraph 89) of the MoU, the Authority agrees to carrying out a series of **quality assurance checks** on the Data it generates.
53. These accuracy checks will include:
- a. Checks to ensure that the installation data is for an eligible household and that the installer meets the necessary standards (either through Trustmark or an alternative) as part of the grant award.
 - b. Data completeness checks to ensure that all mandatory and required data fields are completed in any data return sent to BEIS.

-
- c. Data validation checks, such as, checking field formats (e.g., a date field is in a date format) or that an entry is valid (e.g., a postcode is alphanumeric) before returning any data sent to BEIS.
54. BEIS will also conduct checks on the Data it receives from the Authority to identify any reporting errors, double counting, or ineligible households and or installers. The processes for these are outlined in *Appendices B and C* to this DSA.
55. If, after the Data has been either passed from the Authority to BEIS, or from BEIS to the Authority, either Partner identifies an error in that information then the following process should be undertaken to correct the error:
- a. The Partner that identifies the error should, as soon as reasonably practicable but within a period exceeding that of five working days, alert the other Partner to the error.
 - b. The Authority will then liaise with the relevant delivery partner, installer, or Consortium Member, where applicable, to clarify and correct the data; And
 - c. Promptly notify BEIS of any correction to the data required.

Principle 5 – Storage limitation

56. **BEIS will retain personal data until 31st March 2025** for the purposes outlined in this DSA. The remaining project data is not subject to a specified retention period since it does not contain personal data
57. In line with the storage limitation principle outlined under Article 5(1)(e) of UK GDPR BEIS will review the data it holds at regular periods to ensure that personal data is only retained for as long as it is needed up to 31st March 2025.
58. The Authority will retain any personal data created or collected, for reporting purposes under SHDF – Wave 1, in accordance with its own retention and disposal policies.
59. All Partners will destroy or delete all personal data at the end of the relevant retention periods using a process that is in line with their data destruction processes.
60. In order to achieve the purposes outlined under *Principle 2 – Purpose Limitation*, identifiable personal data, rather than anonymised or pseudonymised data is required to be processed by the designated BEIS Teams outlined in paragraph 62 of this DSA. As outlined by paragraph 64 of this DSA, non-designated BEIS Teams will only have access to anonymised data.

Principle 6 – Integrity and confidentiality

61. The following information security measures will be put in place by BEIS and the Authority to ensure the safekeeping of the data shared under this DSA, including, and with particular reference to, personal data. The Partners agree to work and comply with their respective information assurance and data protection policies, while following the security measures outlined below.
62. BEIS will hold SHDF – Wave 1 monitoring and evaluation data in a secure SharePoint folder with access controls or on a dedicated analyst server (CBAS) that limit access to those on the SHDF – Wave 1 data access list. Only designated BEIS Team and nominated third parties will be able to access this data.
63. By agreeing to this DSA, BEIS acknowledges and agrees that:
- a. The designated BEIS Teams will be named in an internally held SHDF – Wave 1 access list and kept to a reasonable minimum.
 - b. It will maintain the SHDF – Wave 1 access list and share it with the Authority as requested on request.
 - c. BEIS will require that the mandatory annual UK GDPR eLearning training, or its successor where applicable, is completed by all staff, including personnel named on the access list.
64. Non-designated teams within BEIS may use an anonymised version of the SHDF – Wave 1 M&E data, that excludes address, and any record-level identifies, for internal analysis only. BEIS will only publish aggregate results that meet the requirements of Principle T6.4 of the Code of Practice for Official Statistics on confidentiality.
65. Generally, the underlying data will not be published by BEIS, however, in order to comply with the Government Social Research Publication Protocol, BEIS may publish datasets resulting from M&E Data. The publication of this data may require inclusion of data extracted from the M&E data, however, publication in this instance would only be conducted where the data could be fully anonymised and complies with Principle T6.4 of the Code of Practice for Official Statistics on confidentiality.
66. Matt Harrison, **the Programme Director for SHDF (or successor)** has been appointed as the BEIS Information Asset Owner of the SHDF – Wave 1 monitoring and evaluation data and, as such, is ultimately responsible for the security of the data provided by the Authority.

67.

(or successor) has been appointed as the Authority's Information Asset Owner of the SHDF – Wave 1 monitoring and evaluation data and, as such, is ultimately responsible for the security of the personal data provided to BEIS under this DSA.

68. All Partners confirm that, as a minimum, they have considered the risks of the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to any personal data processed under this DSA and have arrangements in place to manage or mitigate these risks accordingly.

Principle 7 – Accountability

69. BEIS confirms that it can demonstrate compliance with the data protection principles outlined in this DSA, the DPA 2018 and UK GDPR. BEIS has completed a Data Protection Impact Assessment (DPIA) outlining how it will process data under this DSA. This DPIA is available on request. BEIS demonstrates UK GDPR compliance to data subjects in the information provided on the BEIS SHDF Privacy Notice. All BEIS staff are required to complete annual training in UK GDPR. All BEIS staff on the access list for data shared under this DSA will attend a briefing on handling datasets shared under SHDF - Wave 1.

70. BEIS confirms that the processing of the Performance Data and M&E Data covered in this DSA will be added to BEIS's existing central record of processing.

71. The Authority confirms that it can demonstrate compliance with the data protection principles outlined in this DSA, the DPA 2018 and UK GDPR. The Authority demonstrates GDPR compliance by:

72. The Authority confirms that the processing of personal data covered in this DSA will:

--

Rights of data subjects

73. The rights of data subjects are set out in the following table:

Right to under UK GDPR:	Applies?	If yes, are any additional actions required. If no, why this right does not apply.
Transparent information (Article 12)	Y	The Authority takes responsibility for ensuring that appropriate fair processing and privacy notices are provided to data subjects.
Information when data collected from data subject (Article 13)	Y	The Authority takes responsibility for ensuring that appropriate fair processing and privacy notices are provided to data subjects.
Information when data collected from elsewhere (Article 14)	Y	The Authority takes responsibility for ensuring that appropriate fair processing and privacy notices are provided to data subjects, either by itself or by the relevant participating Consortium Members or installer.
Access by data subject (Article 15)	Y	Where either Partner receives a data access request from a data subject, this will be actioned in line with the relevant Partner's existing policies for handling such requests.
Rectification (Article 16)	Y	Where a Partner receives a rectification request from a data subject, this will be communicated to the other Partner within 5 working days. Where this request results in concluding there is an error in the original data, this will be notified to the other Partner within 5 working days.
Erasure (Article 17)	Y	Where a Partner receives an erasure request from a data subject, this will be communicated to the other Partner within 5 working days. The eligibility of each erasure request will be reviewed by each Partner in line with article 17 of the UK GDPR and a decision made regarding the nature of the processing undertaken by that Partner.
Restriction of processing (Article 18)	Y	Data subjects may request a restriction of processing of their data, but their request may be

		refused if it would prevent the administration and auditing of the scheme and processing for fraud prevention. Where a Partner receives a restriction of processing request from a data subject, this will be communicated to the other Partner within 5 working days.
Notification regarding rectification, erasure, or restriction (Article 19)	Y	BEIS will notify any parties with whom it has shared the data within 5 working days of an action being taken under a request for rectification, erasure, or restriction, unless this proves impossible or involves disproportionate effort.
Data portability (Article 20)	N	The personal data processed by BEIS under this DSA is not provided by the data subject to BEIS and is not processed by BEIS on the basis of consent (other than for re-contact purposes) or for the performance of a contract.
Object to processing (Article 21)	Y	Data subjects may object to the processing of their data, but the request may be refused if it would prevent the administration and auditing of the scheme and use of the data for fraud prevention and/or statistical purposes. Data subjects will be notified of their right to object via the fair processing and privacy notices mentioned above in relation to articles 12, 13 and 14 of the UK GDPR and for which the Authority takes responsibility. Where a Partner receives an Object to Processing request from a data subject, this will be communicated to the other Partner within 5 working days.
Automated decision-making and profiling (Article 22)	N	It is not expected that automated decision-making or profiling will be required under this DSA.

Governance and administration

Data Protection Impact Assessments

74. BEIS has completed a Data Protection Impact Assessment (herein: DPIA) for the processing that it will undertake in relation to this DSA. The DPIA considers BEIS' processing activities including the analysis and publication of data for statistical reasons and the sharing of data with its third-party contractors and delivery partners of relevant schemes. The DPIA is available upon request.

75.

Offshoring

76. It is not expected that any processing under this DSA will involve processing from any third countries.

Data processors and sub-processing

77. BEIS may share personal data with its third-party contractors, to support the monitoring, evaluation and auditing of SHDF – Wave 1 as well as for statistical, research and fraud prevention purposes. **BEIS remain the controller in all instances of sharing data with its third-party contractors** and the third-party contractors will be **processors**.

78. BEIS may share personal data with other scheme delivery partners or other Government Departments to prevent the duplication of support under other government schemes that may breach scheme rules or help to prevent fraud. In this scenario, BEIS and the scheme delivery partners, or other Government Departments would **both be the controllers** for the personal data. Where this data sharing is necessary, BEIS will put a data sharing agreement in place with the relevant delivery partner to support the sharing of the data.

79. The use of any new data processors by a Partner for processing covered by this Agreement will be notified to the other Partners, and follow the procedures noted in paragraphs 45-50 of this DSA.

Consultation

80. BEIS have consulted with the BEIS Data Protection Officer in the process of completing a DPIA. Data subjects will not be consulted before the processing covered by this DSA commences, however, data subjects will be notified of the data processing as per paragraph 73.

81.

Automated decision making and profiling

82. It is not expected that any automated decision making, or profiling will be undertaken by BEIS with any data collected under this DSA.

Necessity and proportionality

83. BEIS has completed a DPIA regarding the processing covered by this DSA, this included a consideration of necessity and proportionality. The proposed processing was deemed as necessary and proportionate.

Freedom of Information requests

84. Partners subject to the requirements of the Freedom of Information Act 2000 or the Environmental Information Regulations 2006, will assist and cooperate with each other, to enable each to comply with its information disclosure obligations.

85. Where a Freedom of Information request or the Environmental Information Regulations 2006 is received by a Partner to this agreement, which relates to data that has been provided by another Partner, the Partner receiving the request will take reasonable steps, where appropriate, to give the other Partner advance notice to allow it the opportunity to make representations on the potential impact of disclosure, or failing that, to draw the disclosure to the other Partner's attention after any such disclosure.

86. Each Partner shall be responsible for determining in its absolute discretion and notwithstanding any other provision in this DSA or any other agreement whether any information is exempt from disclosure in accordance with the provisions of the Freedom of Information Act or the Environmental Information Regulations 2006.

Personal data breaches

87. The Partners will follow their own internal processes on the discovery of a personal data breach and advise their own security teams.

88. In addition, they will notify other Partners of any personal data breach that relates to this DSA, via direct contact with the project leads named in *Appendix H – Key Contact Details* of this DSA within 72 hours of discovering the personal data breach.

89. In the event of a personal data breach (or where there is reasonable cause to believe that such an incident may arise), the Partners will delay data transfers until the cause or incident is resolved, as authorised by the signatories to this agreement. If the breach cannot be resolved or if - in the view of the Partners - it is very serious, data transfers will stop and will not resume until the signatories to this agreement are satisfied with the security arrangements.

90. Any Partner who decides that a personal data breach that affects, or is relevant to, the processing under this Agreement must be self-reported to the ICO and shall ensure that the other Partners are notified of this.

Dispute resolution

91. Disputes between the Partners regarding the operation of this agreement will be resolved in the following way:

- a. In the first instance a material breach will be reported between the project leads on each side, named in Appendix H of this DSA. An assessment by the breaching party will be conducted promptly to identify if the breach is ongoing or was a one-off, and the potential impact of the breach.
- b. All material breaches will be notified to the Data Protection Officers in BEIS and the Data Protection Officers within the Authority. The outcomes of the assessment conducted by the project leads on each side, named in Appendix H of this DSA, will be discussed and actions identified.

Review

92. Scheduled formal reviews of this DSA are not expected to take place to assess the ongoing effectiveness of this data sharing initiative and this DSA. This DSA will only be reviewed if the purpose of the processing changes, or the processing otherwise changes in a way that affects the rights of data subjects.

Termination

93. The terms and conditions of this DSA will apply until the 31st March 2025. In the event of termination of the MoU, personal data will cease to be shared under the terms of this DSA.
94. Any Partner can terminate this DSA, without giving a reason, on expiry of one (1) month's written notice to the others. Termination of the notice would trigger a formal review of the SHDF – Wave 1 grant funding provided to the Authority.
95. Any Partner can terminate this DSA with immediate effect, where another Partner breaches any of its obligations to this DSA. Termination notices should be addressed to the Information Asset Owners at BEIS and the Authority.

Press enquires

96. Press and media enquiries should be directed by email at: SHDF.Enquiries@beis.gov.uk.

Appendices

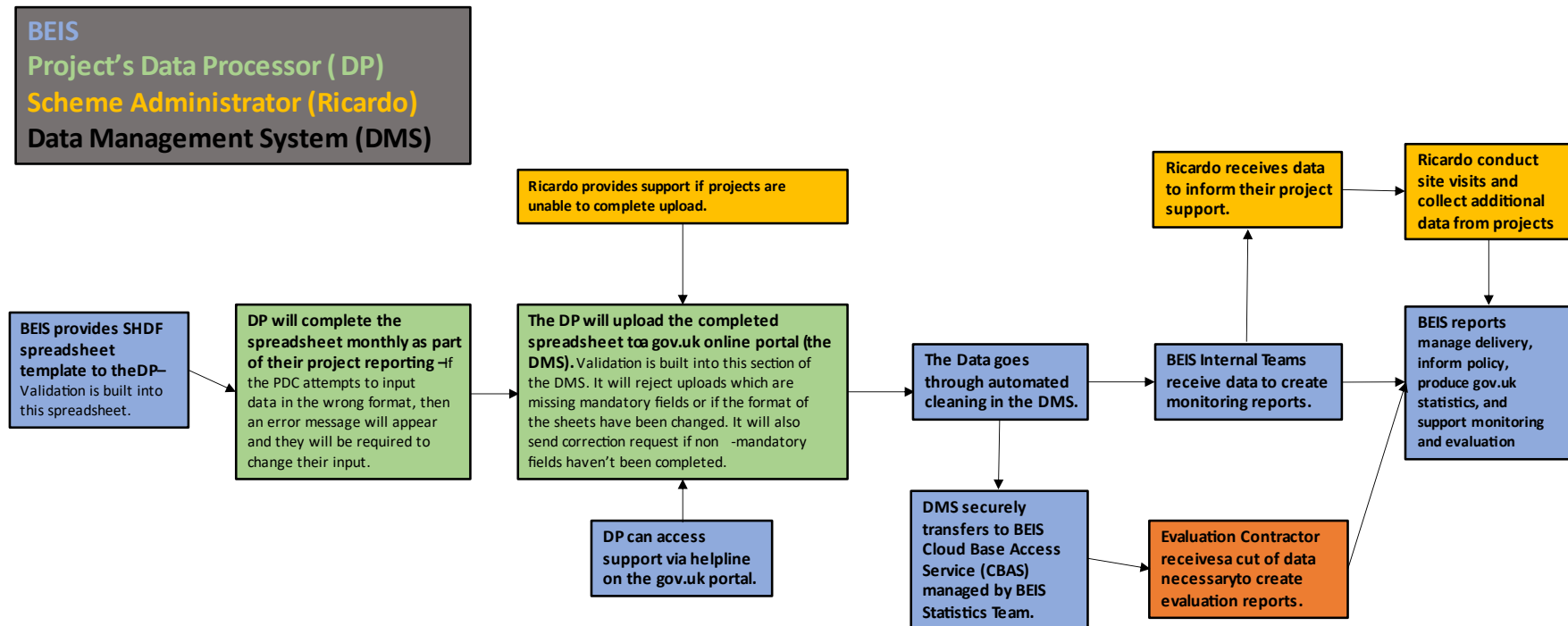
Description	Appendix
Summary of Processing	A
Performance Data Sharing Diagram	B
Personal Data Sharing Diagram	C
Personal Data Journey	D
List of Data Items to be Shared with BEIS	E
Privacy Notice Template	F
Consent Form to Issue to Data Subjects	G
Contact Details for Key Members of Staff	H
Signatories	I

Appendix A – Summary of Processing

Description	Details
Subject matter of the processing	The processing relates to the delivery of the SHDF – Wave 1 scheme.
Duration of the processing	Processing will commence on and from the date on which this DSA is signed by, or on behalf of, both Partners. Personal data will be retained only for as long as it is needed and, in any case, up to 31 st March 2025.
Nature and purposes of the processing	The Authority will ensure that personal data relating to delivery of the SHDF – Wave 1 scheme is shared with BEIS. BEIS will process the data, including matching it with other datasets and onward sharing with other parties, to effectively manage and review the use of public funds and to support further research, evaluation, and statistical reporting.
Type of Personal Data that will be processed	<p>The delivery of the SHDF – Wave 1 scheme is expected to reach over 15,000 properties, from these properties it is expected that the Authority and/or Monitoring & Evaluation Contractor will collect personal data including (but not limited to):</p> <p>Professional contact details of key staff in the Authority's project team</p> <p>Name, address, phone, email of the property owner</p> <p>Details of the property and installation undertaken</p> <p>Details and contact information of the installer</p>
Categories of Data Subject	<p>Authorities and consortia leading SHDF– Wave 1 projects</p> <p>Residents of properties eligible for the SHDF– Wave 1 scheme</p> <p>Installers of home retrofits under SHDF – Wave 1 scheme</p> <p>Third parties providing additional funding for SHDF – Wave 1</p> <p>Third parties involved in the retrofit supply chain</p>
Special Category Data	The data collected and shared under this DSA does not constitute Special Category data or criminal-orientated data (Article 10 of the UK GDPR)

Appendix B – Performance Data Sharing Diagram

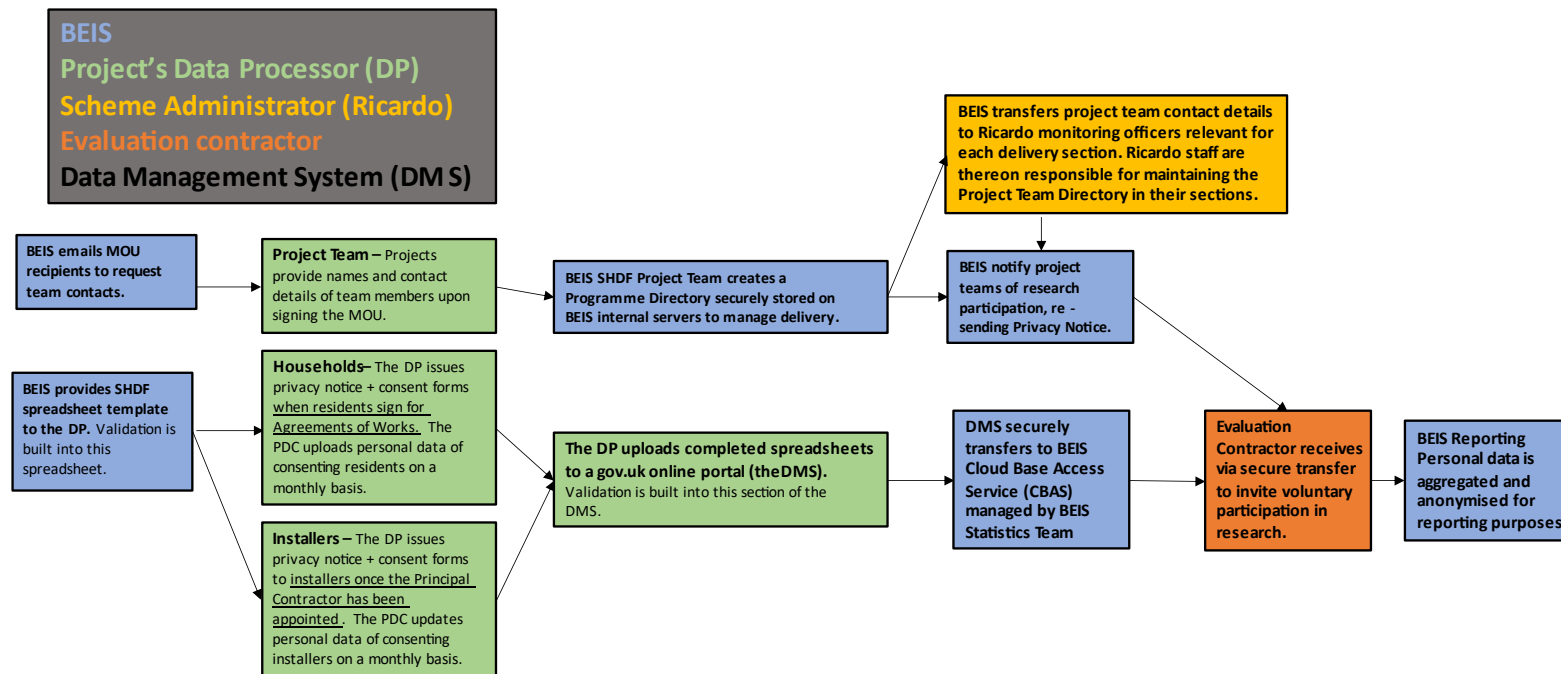
Performance Data Collection and Validation



Please note: BEIS are trialling a new DMS. Aspects of this are subject to change.

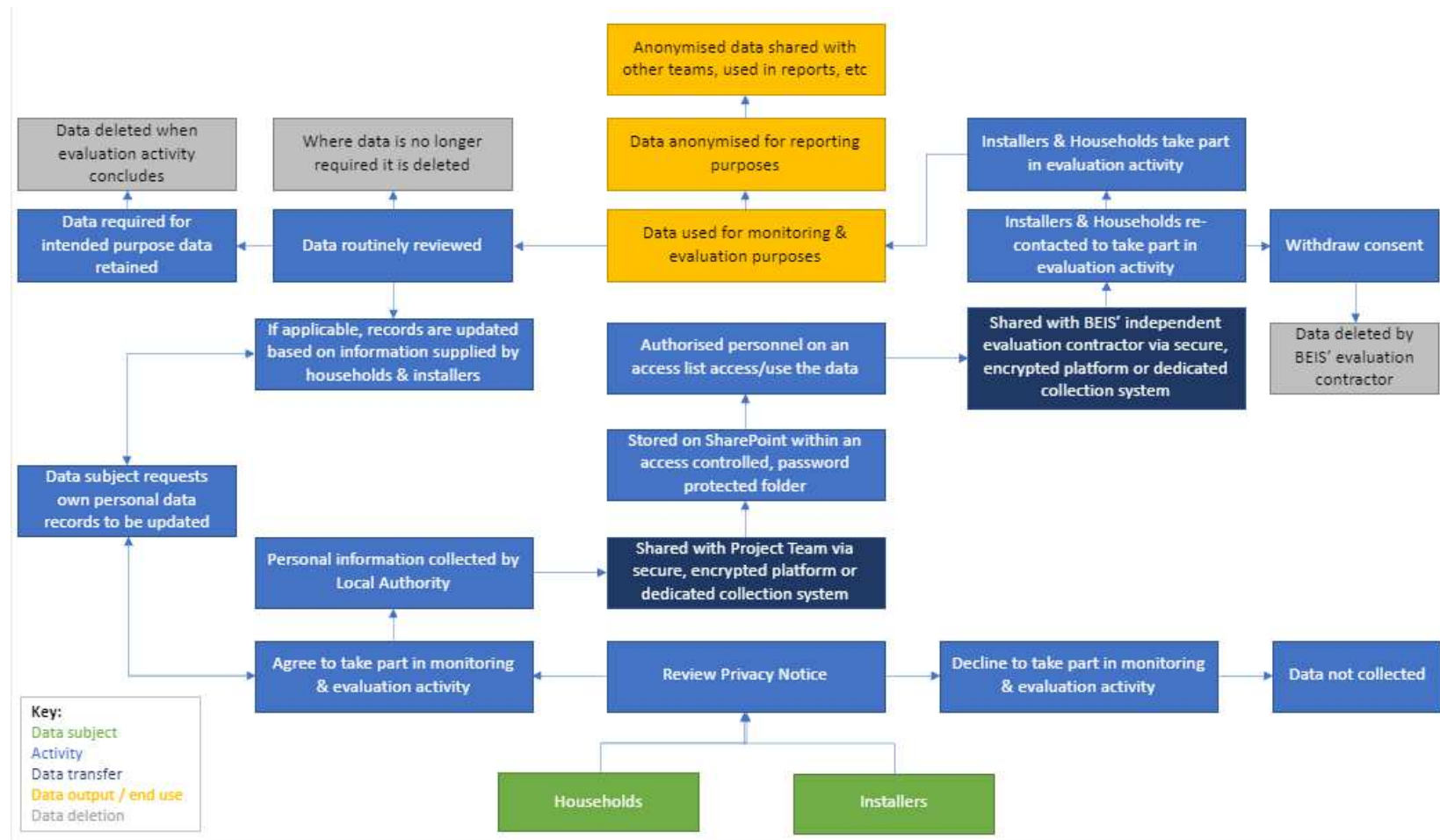
Appendix C – Personal Data Sharing Diagram

Personal Data Collection and Validation



Please note: BEIS are trialling a new DMS. Aspects of this are subject to change.

Appendix D – Personal Data Journey



Please note: BEIS has yet to appoint an evaluation contractor to finalise the design of the M&E framework for SHDF – Wave 1. Aspects of this are subject to change.

Appendix E – List of Data Items to be Shared with BEIS

SHDF – Wave 1 Data Collection	Data Type	Definition
Project Summary - Monthly		
Name of Lead LA	Text	Name of Lead Local Authority, whether it is a consortium application and if so all other Registered Providers of Social Housing involved in the application.
Summary of status	Drop-down	Please provide a RAG rating on how the project is performing
Activities this period	Text	Describe the current state of play of the project. Outline activities undergone by the LA during this reporting period
Plan for next period	Text	Outline what activities are planned for the next reporting period
Estimated Project Completion date	Date	Insert when you estimate the project will be complete.
Date at which project team was appointed	Date	MS1 - Insert the date when the full project team was appointed
PAS2035 Risk Assessment stage completion date	Date	MS2 - When did all your projects complete the PAS2035 risk assessment stage
PAS2035 Dwelling Assessment stage completion date	Date	MS3 - When did all your projects complete the PAS2035 dwelling assessment stage
Design & Coordination completion date	Date	MS4 - When did all your projects complete the design and coordination stage
Procurement activity stage completion date	Date	MS5 - When did all your projects complete their procurement activity
Installation stage started	Date	MS6 - Insert the date that installation started
Installation stage completed	Date	MS7 - Insert the date that all your projects finished installing their measures
Handover and Lodgement Stage completed	Date	MS8 - Insert the date that all your projects finished the handover and lodgement stage
Top 5 Risks	Text	Risks descriptions, category, mitigation, RAG of the top 5 risks

Instances of Fraud	Text	Instances, mitigation, RAG
Total Number of Installers	Number	Provide the total number of installers cumulatively that have worked on the project
Total Number of Apprentices	Number	Provide the total number of apprentices cumulatively that have worked on the project

Performance Monitoring - Monthly		
% of Project Team Appointed	%	Outline the percentages of the project team that has been appointed, including the Retrofit Coordinator
PAS 2035 Risk Assessment Completed	Number	KPI1 - Outline the number of homes that have passed the PAS2035 Risk Assessment stage
PAS 2035 Dwelling Assessment	Number	KPI2 - Outline the number of homes that have passed the PAS2035 Dwelling Assessment stage
Design & coordination stage	Number	KPI3 - Outline the number of homes that have passed the Design & Coordination stage
Procurement Activity Completed	%	Outline the percentage of procurement activity completed to deliver all the projects being funded
Number of completed properties	Number	Outline the number of homes that have had measures installed
Handover & Data Lodgement Completed	Number	Outline the number of homes that have passed the Handover & Data Lodgement stage
Privacy notices issued to tenants	Number	KPI4 - Outline the total amount of privacy notices issued to tenants
Privacy notices issued to installers	Number	KPI4 - Outline the total amount of privacy notices issued to installers
Ancillary and Admin costs	£	KPI 6 - This is the value spent within your allocated A&A budget
Capital costs	£	KPI 6 - This is the value spent from your grant excluding your A&A costs
Total spend this month	£	KPI 6 - How much funding (received from BEIS), for this project, has been spent this month. This should not include any other sources of funding such as co-funding contributions.

Property Details – Frequency TBC		
Unique Property Reference Number	Number	Please input the properties UPRN

First line of address	Text	Please input the first line of address for this property
Town	Text	Please input the town for this property
Postcode	Text	Please input the postcode of this property
Fuel Poor Household	Yes/No	Answer yes, if the household income less than 60% of the median
Property Type	Drop-down	Provide the type of premises the measure was installed to.
Property Year Built	Date	Provide the year the property was built in, to aid with broader understanding of the energy efficiency and use of the property
Property Floor Space (metres squared, m2)	Number	Provide the usable area of the internal flooring of the building in metres squared. This should cover the total of all room areas, hallways and circulation space, excluding staircases. Loft space is not included, unless the loft is habitable with a fixed stairway to access it. This definition is taken from the English Housing Survey, Floor Space in English Homes technical report 2018 by DHLUC (formerly MHCLG). https://www.gov.uk/government/publications/floor-space-in-english-homes
Property Number of Floors	Number	Provide the number of floors that exist on the property. This should exclude the loft.
Property Number of Rooms	Number	Provide the number of usable rooms that exist in the property. This should include living rooms, kitchen, bathrooms, bedrooms. It should exclude the loft, unless this is a liveable space with a fixed stairway
Smart Meter Installed?	Yes/No	Indicate whether the property has a smart meter installed
On or off gas grid property	Yes/No	Identify whether the property is connected to the gas grid network or is an off gas grid property.
Current Heating System Type	Text	Indicates the main space heating system of the premises prior to installation of the measure
Number of measures to install	Number	Identify the number of measures planned for installation at the property and covered by this application
Total Cost of Application	Number	The application should include a total proposed cost for the project. The total application cost should

		include the cost of the equipment, labour, repairs and maintenance
Number of Installers	Number	Input the total amount of installers, including apprentices, that are working to install measures in the property
Number of Apprentices	Number	Input the total amount of apprentices that are working to install measures in the property
Current EPC Rating	Drop-down	The EPC rating of the property before any measures were installed
Post Measures Installed EPC Rating	Drop-down	The EPC rating of the property post measures being installed
Current SAP Box 39 value	Number	Insert in numerical format the SAP Box 39 value for the property before measures were installed. Should be supplied using full SAP
Post Measures Installed SAP Box 39 value	Number	Insert in numerical format the SAP Box 39 value for the property after measures were installed. Should be supplied using full SAP
Current SAP Box 4 value	Number	Insert in numerical format the SAP Box 4 value for the property before measures were installed. Should be supplied using full SAP
Post Measures Installed SAP Box 4 value	Number	Insert in numerical format the SAP Box 4 value for the property after measures were installed. Should be supplied using full SAP
Current Measures Installed SAP Box 99 value	Number	Insert in numerical format the SAP Box 99 value for the property before measures were installed. Should be supplied using full SAP
Post Measures Installed SAP Box 99 value	Number	Insert in numerical format the SAP Box 99 value for the property after measures were installed. Should be supplied using full SAP
Current Airtightness Test value	Number	Insert in numerical format the airtightness test value for the property before measures were installed
Post Measures Installed Airtightness Test value	Number	Insert in numerical format the airtightness test value for the property after measures were installed
Trustmark Measure Reference Number	Number	When a measure is lodged with TrustMark a unique TrustMark measure reference will be generated. Supplier must have this number before notifying the measure to the

		Administrator. This field will be validated against TrustMark's Data Warehouse. Auto generated from installer details.
TrustMark Lodgemark Certificate Number	Number	Provide a TrustMark lodged certificate ID which will be issued by TrustMark for the measure. This field will be validated against TrustMark's Data Warehouse.
PAS Certification Number	Number	Provide installer's PAS certification number. This must be the PAS certification number relevant to the annex of the measure being installed. PAS certification number is required as evidence that a measure has been installed by a PAS-certified installer. Auto generated from installer details.
Date of Starting Installation	Date	The date of started installation (DOSI) indicates the date on which the installation of the measure began. This is the point at which the installer begins working on site to install the measure. It includes any preparatory work before commencing the measure installation.
Date of Completed Installation	Date	The date of completed installation (DOCI) indicates the date on which the installation of the measure was 'complete'. By complete, this is the point of handover, when the measure must be able to deliver savings at a level expected for that measure. This will typically be the point at which the installer has finished the installation, with handover being the installer providing any explanation on the safe, efficient operation of the system, as well as any guidance on care and maintenance. N.B. All paperwork and updated EPC-band must be completed prior to recording date completed.
Measure Type	Drop-down	This describes the measure type installed at the premises (each measure installed is to be reported in a separate row). Please see the guidance page on the measures that should be reported against
Other Measure	Text	If other measure is selected from the dropdown please specific it here
Total cost of measure (£)	£	The cost should include a total cost for the measure.

Of the total cost, how much is SHDF - Wave 1 funding from government for this measure (£)	£	The total amount of funding that came from SHDF – Wave 1 from government for this measure.
Of the total cost, how much is funding from other LA sources (non-SHDF – Wave 1) for this measure (£)	£	The total amount of funding that came from other LA sources (not SHDF – Wave 1 funding) for this measure.
Of the total cost, how much is self-funding for this measure (£)	£	The total amount of funding contributed by the household where a measure took place.

Installer Details - Quarterly		
LA Installer ID number	Text	Links back to lodgement number within TrustMark
Installer Name	Text	Provide the name of the company that carried out the installation of the measure at the premises. This should not be the name of the managing agent unless they carried out the installation.
Installer Email Address	Text	Email address of the installer. This should be the email address of a named contact, and not a generic business address.
Installer Phone Number	Number	Phone number for the installer, either landline or mobile number. This should be the phone number of a named contact, and not a generic business phone number.
Installer Consent to Contact	Yes/No	Provide Y/N response as to whether the installer consents to future contact regarding the installation and scheme
Privacy Notice Issue Date	Date	Indicate the date when the LA issued the Installer with a Privacy Notice
Trustmark Business ID number	Number	All measures must be delivered by a TrustMark registered business (or equivalent). This field will be validated against TrustMark's Data Warehouse.
Was the installer Trustmark accredited before SHDF – Wave 1 project	Yes/No	

Companies House Company Registration Number	Number	Registration number
PAS Certification Number	Number	Provide installer's PAS certification number. This must be the PAS certification number relevant to the annex of the measure being installed. PAS certification number is required as evidence that a measure has been installed by a PAS-certified installer.

Tenant Details - Quarterly		
Unique Property Reference Number	Number	Please input the properties UPRN
Tenant Name	Text	Name of the Tenant
Tenant Email Address	Text	Email address of the applicant
Tenant Contact Number	Text	Phone number for the applicant, either landline or mobile number
Contact Consent	Yes/No	Provide True/False response as to whether the applicant consents to future contact regarding the installation and scheme
Privacy Notice Issue Date	Date	Indicate the date when the LA issued the tenant with a Privacy Notice
Tenant dropout	Yes/No	Provide YES/NO as to whether tenant has dropped out of project
Reason for tenant dropout	Drop-down	State the reason for tenant dropout
Reason for tenant dropout - Other reason	Text	If 'Other' selected please outline the reason for tenant dropout in the text box

Appendix F – Privacy Notice Template

SHDF Privacy Notice

This notice sets out how

use your personal data, and your rights. It is made under Articles 13 and/or 14 of the UK General Data Protection Regulation (**UK GDPR**). This notice relates to data collected under the Social Housing Decarbonisation Fund scheme (**SHDF**) operated by

and run by BEIS. For further information on how BEIS uses your personal data, please see BEIS' SHDF Privacy Notice (Available [here](#)).

What personal data do we hold?

In order to deliver energy efficiency improvements, it is necessary for us to collect and hold personal information.

If you are a **tenant**, we will process the following personal data:

- Basic personal information such as your name, address, telephone number and email address for arranging works
- Details about the works installed at the property, including size, type and cost
- Household income and any other scheme eligibility information
- Expected energy, carbon and cost savings expected from the works
- Your name and preferred means of contact if you'd like to take part in BEIS' scheme evaluation (optional)

If you are an **installer**, we will process the following personal data:

- Your name and preferred means of contact for arranging the works
- Relevant accreditation and registration information
- Business contact address
- Details of SHDF installations you delivered (including location)
- The number of employees in your organisation
- Your name and preferred means of contact if you'd like to take part in BEIS' scheme evaluation (optional)

If you are a **delivery partner** in a project, we will process the following personal data:

- Your name, role, and professional contact details

How will we use the Information we hold about you?

We collect information about you (where applicable):

- To support the delivery and administration of energy efficiency schemes. This may require linking of your data to other datasets held by BEIS and other government departments
- With your consent, to invite you to take part in scheme evaluation

What is the legal basis for us to process your data?

We process your information as above because it is necessary for compliance with legal obligations under

to which we are subject. Some processing will be necessary to perform tasks carried out in the public interest or in the exercise of official authority vested in us. Other processing will be necessary for the performance of our contractual obligations, e.g. under any tenancy or lease.

BEIS process data necessary for the performance of tasks in the public interest to deliver SHDF. The data will support a detailed evaluation of the overall scheme, including the types of properties, households and measures delivered through the SHDF, in order to ensure use of public funds has delivered value for money, and realised intended benefits, including to inform policy making in the fields of energy efficiency, fuel poverty, and health. It will also support BEIS' functions relating to carbon reductions under the Climate Change Act 2008. Your data may also be used for statistical, research and fraud prevention purposes.

BEIS will be conducting an evaluation of the Scheme. This may include you being contacted to take part in further research. Use of your personal data to contact you to take part in further evaluation research will be subject to your consent. BEIS will only process your personal data for this purpose with your opt-in consent, and a consent form will be provided to you. Note that you can withdraw consent at any time, and it will not impact the delivery of any works.

Who we will share your information with

We may share your information with partner organisations, including:

- The Department for Business, Energy and Industrial Strategy (BEIS), its delivery partners and contractors, and their data processors Microsoft and Amazon Web Services

-

We will not normally share your information with organisations other than our partner organisations without your consent, however, there may be certain circumstances where we would share without consent such as where we are required to do so by law, to safeguard public safety, and in risk of harm or emergency situations. Any information which is shared will only be shared on a need to know basis, with appropriate individuals. Only the minimum information for the purpose will be shared.

How long do we keep your records

International transfers

Your rights

You have a number of rights under UK GDPR, including the right to request your information and the right to request your information be erased or amended if incorrect.

To **request your records**, **request changes** to your records, or to **object** to the processing of your data, you will need to put your request in writing and provide a proof of identification to

You have the right to **withdraw consent** for the processing of your personal data, where processing is based on consent, such as the BEIS research and evaluation. To withdraw consent, you can choose to contact

You may also contact BEIS' Data Protection Officer at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET, or via email, dataprotection@beis.gov.uk.

You also have a right to **make a complaint** about our handling of your personal data to the Information Commissioner's Office (ICO), an independent regulator. You can contact the ICO at Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or via email, casework@ico.org.uk. Any complaint to the ICO is without prejudice to your right to seek redress through the courts.

Further information

If you have any questions or concerns about how your information will be used, please contact the Data Protection Officer at

--

Appendix G – Consent Form to Issue to Data Subjects

I have read and understood this Privacy Notice and BEIS' Privacy Notice.

Yes ☐ No ☐

Do you consent to BEIS, or their appointed contractors, to recontact you for the purpose of research and evaluation related to the installation received under SHDF-Wave 1?

Yes ☐ No ☐

Participation is entirely voluntary and you may withdraw consent at any time. Personal data necessary to deliver work on your property will continue to be collected. Your installation and the work on your property will not be affected if, at any time, you choose not to take part.

Full Name	<hr/>
Signature	<hr/>
Address	<hr/>
Telephone/Mobile	<hr/>
Email Address	<hr/>
Preferred contact method	<hr/>
Date	<hr/>

Appendix H – Key Contact Details

BEIS Key Contacts:		
Programme Director	Name	Matt Harrison
	Email	matt.harrison@beis.gov.uk
Data Protection Officer	Name	BEIS Data Protection Officer
	Email	dataprotection@beis.gov.uk
	Name	Head of Information Rights Team
	Email	FOI.Requests@beis.gov.uk
Data Lead	Name	Darren Cartwright
	Email	darren.cartwright@beis.gov.uk

The Authority Key Contacts:		
Project Lead	Name	
	Email	
	Telephone	
Data Protection Officer	Name	
	Email	
	Telephone (optional)	
FOIA Lead	Name	
	Email	
	Telephone (optional)	
Data Lead	Name	
	Email	
	Telephone (optional)	

Appendix I – Signatories

BEIS Signature	
Signed:	
On behalf of the Secretary of State for Business, Energy & Industrial Strategy	
Name	
Role	
Address	
Email	
Date of signature	

The Authority Signature	
Signed:	
On behalf of [Insert Local Authority and other consortium members]	
Name	
Role	
Address	
Telephone (optional)	
Email	
Date of signature	

Annex 6a: Approved Application Proposal (the Proposal)

For the purposes of SHDF – Wave 1, the Proposal is the approved application submitted on or before 15 October 2021 as part of the SHDF – Wave 1 competition.

Annex 6b: Updated Baseline Milestone Schedule

For the purposes of SHDF – Wave 1, the updated Baseline Milestone Schedule is a revised version of table 5a in the SHDF – Wave 1 application form, with dates updated to reflect the new competition award date.

Updated Baseline Milestone Schedule																	
Milestone	Date completed	Units	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
MS1 – Project Team Established		% completed															
MS2 – PAS 2035 Risk Assessment stage completed		No. homes															
MS3 – Dwelling Assessment stage completed		No. homes															
MS4 – Design and Coordination Stage completed		No. homes															
MS5 – Procurement Activity completed		% completed															
MS6 & MS7 – Installation started and completed		No. homes															
MS8 – Handover & Data Lodgement Completed		No. homes															

Annex 7: Data Requirements

In accordance with the Governance and Performance sections of this MoU, the Authority will be responsible for supplying the Project Team with the required monthly data on or before the 10th working day of each month. The requirements for this reporting, which will form the Monthly Report by the Authority, are as follows:

Monthly Data Requirements	Quarterly Data Requirements (for ongoing Monitoring & Evaluation)	Per Property or One-off Data Requirements
<p>Monthly Summary</p> <ul style="list-style-type: none"> Summary of status Activities this period Plan for next period Estimated Project Completion date Top 5 Risks Instances of Fraud <p>Milestone updates</p> <ul style="list-style-type: none"> MS1 Date at which project team was appointed MS2 PAS2035 Risk Assessment stage completion date MS3 PAS2035 Dwelling Assessment stage completion date MS4 Design & Coordination completion date MS5 Procurement activity stage completion date MS6 Installation stage started MS7 Installation stage completed MS8 Handover and Lodgement Stage completed <p>KPI Performance</p> <ul style="list-style-type: none"> KPI 1 PAS 2035 Risk Assessment Completed KPI 2 PAS 2035 Dwelling Assessment KPI3 Design & coordination stage Completed KPI4 Number of Privacy notices issued to tenants and Installers KPI5 Number of completed properties KPI6 – Total project spend <p>Project additional info</p> <ul style="list-style-type: none"> No. of tenants & installers who have consented to be invited to take part in BEIS evaluation Procurement activity – percentage of all procurement activity completed to deliver all projects being funded Number of Installers Number of Apprentices 	<ul style="list-style-type: none"> Unique Property Reference Number Tenant Name Tenant Email Address Tenant Contact Number Contact Consent Privacy Notice Issue Date Tenant Dropout Reason for Tenant Dropout LA Installer ID number Installer Name Installer Email Address Installer Phone Number Installer Consent to Contact Privacy Notice Issue Date Trustmark Business ID number Was the installer Trustmark accredited before SHDF project PAS Certification Number Companies House Company Registration Number 	<p>Per property</p> <ul style="list-style-type: none"> Unique Property Reference Number Property Address (first line) Town Postcode Fuel Poor Household Property Type Property Year Built Property Floor Space (metres squared, m2) Property Number of Floors Property Number of Rooms Smart Meter Installed? On or off gas grid property Current Heating System Type Number of measures to install Type of measure installed Total Cost of Application Current EPC Rating (pre-measures installed) Post Measures Installed EPC Rating Current SAP Box 39 value (pre-measures installed) Post Measures Installed SAP Box 39 value Current SAP Box 4 value (pre-measures installed) Current Installed SAP Box 4 value Post Measures Installed SAP Box 99 value (pre-measures installed) Post Measures Installed SAP Box 99 value Current Airtightness Test value (pre-measures installed) Post Measures Installed Airtightness Test value Date of Starting Installation Date of Completed Installation Trustmark Measure Reference Number TrustMark Lodgemark Certificate Number Total cost of measure (£) Of the total cost, how much is SHDF grant funding for this measure (£) Of the total cost, how much is LA funding for this measure (£) Of the total cost, how much is self-funding for this measure (£)

Annex 8: Recovery Plan (draft – final template to be provided to the Authority)

Local Authority	Grant Reference	Grant Name	Local Authority Lead	Report Date
INSERT FULL NAME	INSERT REFERENCE	SHDF Wave 1	INSERT LEAD OFFICIAL	INSERT DATE

#	Interventions	Target Date		Status	Owner
1				R/A/G	
2				R/A/G	
3				R/A/G	
4				R/A/G	
5				R/A/G	

Annex 9: AP1a form

The template for this is attached separately as a Word document to enable completion.

Annex 10: Small Amounts of Funding Exemption Declaration

Guidance: use this Annex where funding is awarded as a small amount of financial assistance which is an exempted subsidy under the UK-EU Trade and Cooperation Agreement. Please note for the purpose of calculating whether a subsidy falls within the 325,000 Special Drawing Rights threshold, the Authority should include any:

- De Minimis State Aid granted in the relevant 3 fiscal year period under the De minimis Regulation prior to 1 January 2021;
- De Minimis State Aid granted in the relevant 3 fiscal year period under the De minimis Regulation on or after 1 January 2021 by virtue of the application of the Northern Ireland Protocol;
- Small Amounts of Financial Assistance granted in the relevant 3 fiscal year period by virtue of the application of the Trade and Cooperation Agreement

but should not include:

- any State aid or subsidy granted in the relevant period in reliance on any other exemption (e.g. State aid granted under the General Block Exemption Regulation) or on any other basis irrespective of whether granted prior to or after 1 January 2021
1. Funding in respect of leaseholder or freeholder (right to buy) properties, including those that are privately rented, is awarded in accordance with Article 364(4) of the Trade and Cooperation Agreement, which enables the Authority to receive up to a maximum level of subsidy without engaging Articles 363-375 (except where a subsidy is prohibited under Article 367 (8-12)) of the Trade and Cooperation Agreement (a “Small Amount of Financial Assistance”). The current threshold is 325,000 Special Drawing Rights to a single economic actor over any period of three fiscal years.
 2. The Authority acknowledges and accepts that the relevant limit for a Small Amount of Financial Assistance comprises other Small Amounts of Financial Assistance and De Minimis State Aid, irrespective of whether such subsidy or aid was provided by other public authorities and their agents, related to other projects or was made by means other than grants (for instance, foregone interest on loans) awarded to the Authority over any period of three fiscal years
 3. The award of this funding will be conditional upon the Authority providing the Secretary of State with the Small Amount of Financial Assistance declaration form confirming how much Small Amount of Financial Assistance subsidy or De Minimis State Aid, if any, it has received in the current and previous 2 year fiscal period.
 4. The Secretary of State may not pay the Authority the funding if, added to any previous Small Amount of Financial Assistance subsidy or De Minimis State Aid the Authority has received during the current and last two fiscal years, the funding causes Authority to exceed the relevant limit for a Small Amount of Financial Assistance.
 5. For the purposes of that declaration:

- a. the fiscal year is the fiscal year used by its business;
 - b. a single economic actor means a “single undertaking” within the meaning of the De Minimis Regulation; and
 - c. subsidy is Small Amounts of Financial Assistance and De Minimis State Aid granted to a single economic actor.
6. The Authority must return the MoU and the completed Small Amount of Financial Assistance declaration form to the Secretary of State in accordance with Paragraph 115 of the MoU.
 7. The Authority acknowledges that it is Authority’s responsibility to read Chapter 3 of the Trade and Cooperation Agreement (and implementing legislation) in its entirety, and seek advice (including legal advice) on its application to the Authority’s business if appropriate.
 8. The Authority acknowledges that the Secretary of State and the Authority are jointly and severally responsible for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this MoU are fulfilled.
 9. Such records must be maintained by the Authority and the Secretary of State for 10 years following the granting of the subsidy.

SMALL AMOUNT OF FINANCIAL ASSISTANCE DECLARATION FORM

Please tick the statement that applies:

	The Authority, and any other economic actor forming a single economic actor with the Authority, have not received any Small Amount of Financial Assistance subsidy or De Minimis State Aid (whether from or attributable to the Authority or any other public authority) during the current and two previous fiscal years.
	The Authority, and/or any other economic actor forming a single economic actor with the Authority, have received one or more grants of De Minimis State Aid or Small Amounts of Financial Assistance during the current and two previous fiscal years particulars of which are set out in the table below.

Please insert the Authority’s fiscal year _____

Particulars of any De Minimis State Aid or Small Amounts of Financial Assistance received during the current or previous two fiscal years:

Public Authority	Date Awarded	Total amount of subsidy ¹¹	Description of subsidy ¹²	Recipient ¹³	Date(s) received ¹⁴

Signed _____

For and on behalf of _____

Position _____

Date _____

¹¹ This should be the amount of subsidy awarded. However, please also inform us if the amount received differed.

¹² Please confirm the nature of the subsidy (e.g. a grant or a loan etc) and the purpose for which it was awarded (e.g. any project funded by it).

¹³ Please confirm the identity of the recipient of the subsidy if this is a separate entity forming part of a single economic actor with you.

¹⁴ Please inform us if the subsidy was paid by instalments.

REPORT TO:	FULL COUNCIL	AGENDA ITEM:9
DATE OF MEETING:	23 FEBRUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	
MEMBERS' CONTACT POINT:	ELIZABETH BARTON elizabeth.barton@southderbyshire.gov.uk	DOC:
SUBJECT:	PROPOSED REVISED COUNCIL TAX REDUCTION SCHEME 2022 – 2023 & CONSULTATION FEEDBACK	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM12

1.0 Recommendations

- 1.1 Further to the recommendation of the Finance & Management Committee, that Full Council supports the adoption of a revised Council Tax Reduction Scheme for working-age residents for 2022/2023 that will include:
 - The introduction of a banded scheme.
 - The removal of the baseline, so those on the lowest incomes would no longer need to pay 8.5% or 10% towards their Council Tax.
 - The removal of second adult rebate.
 - The introduction of a standard £5 non-dependent deduction.
 - The treating of Universal Credit claims as a claim for council tax support.
 - The introduction of a minimum award.
 - Changes to bring the scheme into line with recent changes to other welfare benefits.
- 1.2 That Full Council approves the draft council tax regulations that will support the delivery of the proposed new scheme.
- 1.3 That Full Council delegates authority to the Council's Section 151 Officer to approve the final council tax regulations.
- 1.4 That Full Council approves transfer of £20,000 of Welfare Reform Funding to support any hardship cases that may arise as a result of the implementation of the proposed changes in 2022/2023.
- 1.5 That Full Council notes the consultation activity carried out in relation to the proposed new scheme.

2.0 Purpose of Report

- 2.1 To approve the draft regulations that will support the delivery of the proposed Council Tax Reduction Scheme for 2022/2023, as approved by Finance & Management Committee on 10 February 2022. The draft regulations can be viewed here: www.southderbyshire.gov.uk/ctrschanges

3.0 Executive Summary

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

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

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

4.0 Detail

- 4.1 The feedback gathered as part of the consultation included views from precepting authorities, parish councils, local partners, elected members, local residents, housing tenants and current claimants.
- 4.2 **Precepting authority feedback:** Derbyshire County Council, which is the largest preceptor and will support the changes to the largest extent, indicated its support for the proposed new scheme. Derbyshire Police and Fire did not submit any objections.
- 4.3 **Parish council feedback:** All parish councils were consulted on the proposed changes. No parish council submitted an objection.
- 4.4 **Local partner feedback:** Local partners were consulted via the CVS networks and the EDI Steering Group. Partners were invited to attend two workshops or to contact the Council for individual support. No objections were received.
- 4.5 **Elected member feedback:** All members were consulted on the changes. Members were invited to two workshops. They were also invited to contact the team for individual support. No objections were received.
- 4.6 **Customer feedback:** Current claimants, housing tenants and wider residents were all invited to give their views on the scheme.
- 4.7 In total 66 formal responses were received, and many more residents sought telephone support and guidance.
- 4.8 The consultation responses show that overall, all the proposed changes were either supported by the majority of respondents or have the highest levels of support from a single group of residents, as shown in the below table.

Proposed change	In favour	Against	Not sure
Remove the baseline	68%	17%	15%
£5 non-dependent deduction	56%	26%	18%
Treat a UC claim as a claim for LCTRS	76%	12%	12%
Introduce £1 minimum award	61%	15%	24%
Other changes to bring scheme into line with national welfare benefits	49%	12%	39%
Remove second adult rebate	46%	27%	27%
Cost of changes	39%	32%	29%

- 4.9 Where percentages are marked in green in the above table, more than 50% of respondents supported the proposed change. Where percentages are marked in orange, less than 50% supported the change, however the percentage that supported the proposed change is higher than those who did not support it in all such cases.
- 4.10 With regards to the choice between the existing tapered scheme and a banded scheme, 60% favoured the introduction of a banded scheme, whereas 47% favoured the retention of the existing tapered scheme.
- 4.11 As such all the proposed changes included in consultation, together with the adoption of a banded scheme, were recommended to and approved by Finance & Management Committee on 10 February 2022.

5.0 Financial Implications

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

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

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

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

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

Cost	System	Required or optional
£10,000 per annum	Banded scheme software costs	Required. This will be funded from the Council's collection fund.
£8,000 per annum	Online decision form that prevents ineligible cases from being submitted	Optional. This will only be implemented if it would generate equivalent annual savings.

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

6.0 Corporate Implications

Employment implications

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

Legal implications

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

Corporate Plan Implications

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

Risk Impact

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

7.0. Community Implications

Consultation

- 7.1 The community has been consulted on the proposals as detailed in this report. The changes will affect some residents negatively and some residents positively, as detailed in the report to Finance & Management Committee on 10 February 2022. Additional funding will be placed into the Council's hardship fund to support any residents who are disproportionately negatively affected by the changes in 2022/23 and future years as required, subject to ongoing approval by F&M Committee and Full Council as part of the annual review and approval of the scheme.

Equality & Diversity and Social Value Impact

- 7.2 An Equality Impact Assessment on the proposed models has been presented to the Equality, Diversity & Inclusion (EDI) Steering Group and is available at www.southderbyshire.gov.uk/ctrschanges.
- 7.3 The proposed changes have been assessed against protected characteristic groups, as set out the Equalities Act, detailed below:

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

8.0 Conclusions

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

9.0 Background Papers

- The draft Council Tax Reduction regulations can be viewed here:
www.southderbyshire.gov.uk/ctrschanges

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	23 FEBRUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD Victoria.summerfield@southderbyshire.gov.uk	DOC: s/Finance/Committee/2021-22/Feb
SUBJECT:	CAPITAL STRATEGY 2021-22 TO 2026-27	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the proposed Capital Strategy 2021/22 to 2026/27 as detailed in **Appendix 1** is approved.

2.0 Purpose of the Report

- 2.1 To provide an update to the Council's Capital Strategy as required under the CIPFA 2017 Prudential Code.

3.0 Detail

- 3.1 In December 2017, CIPFA issued an update to the Prudential Code requiring authorities to look at capital expenditure in light of overall organisational strategy and resources to ensure that decisions are being made with sufficient regard to the long-term financing implications and potential risks to the Council.
- 3.2 The updated Prudential Code remained largely unchanged. However, there is now a requirement to produce a Capital Strategy in order to demonstrate that capital expenditure decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability.
- 3.3 The Council have historically had a Capital Strategy in place in line with best practice, but this has now been updated to include the requirements set out in the Code.
- 3.4 An update to the Strategy is presented to Council annually.

4.0 Financial Implications

- 4.1 None

5.0 Corporate Implications

Employment Implications

5.1 None

Legal Implications

5.2 None

Corporate Plan Implications

5.3 None

Risk Impact

5.4 Meeting additional demand for Council Services due to the growth of the District is a key risk in the Council's Medium-Term Financial Plan. A fully costed capital expenditure programme provides on-going investment in services and the Council's asset base to support the growth of the District. This in turn helps to ensure that the Council's financial position remains sustainable.

6.0 Community Impact

Consultation

6.1 None

Equality and Diversity Impact

6.2 None

Social Value Impact

6.3 None

Environmental Sustainability

6.4 None

7.0 Background Papers

7.1 None



South Derbyshire District Council

Capital Strategy 2021/22 – 2026/27

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example Property assets costing below £10,000 and vehicles below £5,000 are not capitalised and are charged to revenue in year.

In 2022/23, the Council is planning capital expenditure of £8.2m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure (£)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Budget	Budget	Budget	Budget	Budget
General Fund services	1,223,528	3,289,917	5,176,123	787,473	732,628	485,000	485,000
Council housing (HRA)	4,342,363	2,944,703	2,900,000	2,432,186	2,877,000	3,143,503	2,497,000
Capital investments	314,582	320,415	160,000	340,420	999,814	1,431,760	364,211
TOTAL	5,880,473	6,555,035	8,236,123	3,560,079	4,609,442	5,060,263	3,346,211

The main General Fund capital projects include revitalising Rosliston Forestry Centre (£808K), Oversetts Road Football Facility (£1.188m) and the renovation of Melbourne Assembly rooms (£260K), there are also several small projects that were approved during the 2020 capital bidding round. There has been delays on 9 of the 14 approved projects with the work now scheduled to start in the new financial year.

General Fund Services include the funding received from Derbyshire County Council for the delivery of projects through the Better Care Fund and the BCF Assurance Plan.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of 10 new homes, over the next financial year. The Council has a programme of funding major improvements under self-financing to its current housing stock.

Governance: Heads of Service submit bid's when capital funds are identified as available, to include projects in the Council's capital programme. Bids are collated and scored the financing cost is calculated (which can be nil if the project is fully externally financed). The bids are appraised in accordance with the approved Capital Evaluation Framework. All bids are based on a comparison of service priorities against financing costs and makes recommendations to Finance and Management Committee. The final capital forecast is then presented to Finance and Management Committee in February each year. The capital programme is monitored quarterly and reported to members at the Finance and Management Committee.

All capital expenditure must be financed, either from external sources (government grants and other contributions) the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing (£)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Budget	Budget	Budget	Budget	Budget
External sources	1,171,324	2,323,545	2,624,095	510,000	400,000	400,000	400,000
Capital resources	1,360,786	765,048	2,117,354	188,461	247,628	600,000	0
Revenue resources	3,348,363	3,466,442	3,494,674	2,861,618	3,961,814	4,060,263	2,946,211
Debt	0	0	0	0	0	0	0
TOTAL	5,880,473	6,555,035	8,236,123	3,560,079	4,609,442	5,060,263	3,346,211

Debt is only a temporary source of finance, since loans and leases must be repaid and this is therefore replaced over time by other financing, usually from revenue which is known as the **Minimum Revenue Provision (MRP)** / loans fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

MRP represents the minimum amount that must be charged to an Council's revenue account each year for financing of capital expenditure, which will have initially been funded by borrowing. MRP is important for prudent accounting because it allows an authority to put aside an amount of revenue that can be used towards the capital expenditure that was previously financed through either borrowing or credit.

The Council uses the Regulatory method to calculate MRP and the Regulatory method is charged at 4% of the Council's underlying need to borrow for capital purposes, i.e. the Capital Financing Requirement (CFR).

Table 3: Replacement of prior years debt finance (£)

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Capital resources	1,360,786	765,048	2,117,354	188,461	247,628	600,000	0
Revenue resources	3,348,363	3,466,442	3,494,674	2,861,618	3,961,814	4,060,263	2,946,211
Total	4,709,149	4,231,490	5,612,028	3,050,079	4,209,442	4,660,263	2,946,211

The General Fund does not currently have any actual debt outstanding and its underlying borrowing requirement is financed from reserves and balances.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. The net borrowing of the Council reduced during 2020/21 due to an increase in investments. Government Grant income, lower expenditure and budget savings in year resulted in larger cash balances to invest. On 31st March 2021, the Authority had net borrowing (after allowing for investments) of (£3,032m) an reduction of £10.572m.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Actual CFR versus budgeted CFR is summarised below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (£'000)

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
General Fund Services	4,667	4,409	4,214	4,026	3,871	3,723	3,580
Council housing (HRA)	61,584	51,584	51,584	41,584	41,584	41,584	31,584
Capital Financing Requirement	66,251	55,993	55,798	45,610	45,455	45,307	35,164

The relevant Prudential Indicators for the capital programme are detailed in the Treasury Management Strategy

Asset management: To ensure that capital assets continue to be of long-term use, the Council has a Corporate Asset Management Plan in place. The Corporate Asset Management Plan seeks to align the Council's non-housing property assets to the corporate objectives. The Plan covers the assets under the Corporate Property Section's management and control, and sits alongside the

Housing Asset Management Strategy 2016-46, with the latter addressing the management, regeneration and identification of surplus assets held under the Housing Revenue.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2022/23.

Capital grants, loans and investments also generate capital receipts. The Council's known capital receipts in the coming financial years are as follows:

Table 5: General Capital receipts (£'000)

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Asset sales	463	1595	615	612	612	612	612
Land Sales	482	527	278	0	0	0	0
TOTAL	945	2,122	893	612	612	612	612

Land sales have been achieved through collaboration with adjacent landowners. The deal secured ransom values from third parties and achieved optimum value through the joint master planning of large sites which are attractive to major housebuilders. The last of the planned receipts is due in 22/23. Asset sales will be achieved through the predicted right to buy receipts.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the Current Account.

The Council is currently cash rich in the short-term as revenue income is received before it is spent, but potentially cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council currently has £57.541m borrowing at an average interest rate of 3.19% on fixed term borrowing and 0.17% on variable rate borrowing. The variable rate loan of £10m is due to be repaid in March 2022. Current Treasury investments total £76m at an average rate of 0.15% (long term investment) and 0.03% in short term investments.

Borrowing strategy: The Council's main objectives if borrowing, are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Council's total outstanding debt are shown below, compared with the capital financing requirement.

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement (£'000)

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Council Housing (HRA)	57,423	47,523	47,523	37,523	37,423	37,423	27,423
Capital Financing Requirement	61,584	51,584	51,584	41,584	41,584	41,584	31,584

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end. This benchmark is currently £3.7m and is forecast to rise to £11.4m over the next two years.

Table 7: Borrowing and the Liability Benchmark in (£'000)

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Outstanding borrowing	(57,423)	(47,423)	(47,423)	(37,423)	(37,423)	(37,423)	(27,423)
Liability benchmark	3,744	10,518	6,088	11,437	6,930	2,423	7,705

The table shows that the Council expects to remain borrowed below its liability benchmark. This is because cash inflows to date have been above the assumptions made when the loans were borrowed and there has been no requirement for additional sums. The Council has adopted a prudent approach to its finances and its borrowing requirements.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt (£'000)

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit – borrowing GF	4,667	4,409	4,214	4,026	3,871	3,723	3,580
Authorised limit – borrowing HRA	61,584	51,584	51,584	41,584	41,584	41,584	31,584
Authorised limit – total external debt	66,251	55,993	55,798	45,610	45,455	45,307	35,164
Operational boundary – borrowing	62,423	52,423	42,423	42,423	42,423	42,423	32,423
Operational boundary – total external debt	62,423	52,423	42,423	42,423	42,423	42,423	32,423

Further details on borrowing are in pages 5 to 7 of the Treasury Management Strategy

Treasury Investment strategy: Treasury investments arise from receiving cash before it is expended. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, i.e. to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested with the CCLA Property Fund to balance the risk of loss against the risk of receiving returns below inflation.

Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 9: Treasury management investments (£'000)

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Near-term investments	60,544	46,905	51,335	35,986	40,493	45,000	29,718
Longer-term investments	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL	64,544	50,905	55,335	39,986	44,493	49,000	33,718

This represents the difference between the liability benchmark and borrowing in table 7 plus the minimum investment balance built into the liability benchmark.

Risk Management

The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Strategic Director (Corporate Resources), Head of Finance and staff, who must act in line with the Treasury Management Strategy approved by the Finance and Management Committee. Quarterly reports on treasury management activity are presented to the Finance and Management Committee. The Council's Audit Sub-Committee is responsible for scrutinising the Treasury Management Framework in response to Auditor's reports.

The Councils borrowing and investment strategies are detailed in the Treasury Management Strategy

Investments for Service Purposes

The Council makes investments to assist local public services including making grants and loans to local service providers, local small businesses to promote economic growth and the Council's partnerships that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break-even/generate a profit after all costs.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Strategic Director (Corporate Resources) and must meet the criteria and limits laid down in the Investment Strategy which is to be updated. Any loans and shares entered into are capital expenditure and purchases will therefore also be approved as part of the capital programme.

The Authority has no plans to make any material investment in services in the medium term.

Commercial Activities

Central Government financial support for local public services has been declining. In response to this, many authorities are increasing their investment in commercial property purely or mainly for financial gain with financial return being the main objective. In these cases, higher risks are accepted on commercial investment than with treasury investments.

The Council currently has no plans over the medium term to invest in any new commercial activities and follows its investment strategy for lower risk returns on surplus funds.

Governance: Decisions on commercial investments are made by the Strategic Director (Corporate Resources) in line with the criteria and limits approved by Finance and Management Committee in the Treasury Management Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

The Council has a small portfolio of commercial properties which are held to earn rentals and/or for capital appreciation. The following table shows the proportion of income from commercial

properties to the net revenue of the Council. The estimated decline in income is due to the uncertainty around the letting of bespoke factory premises.

Table 10: Prudential indicator: Net income from commercial and service investments to net revenue stream

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Total Income from Commercial and Service Investments to net revenue stream	783,000	777,276	709,000	509,000	509,000	509,000	509,000
Proportion of net revenue stream	2.14%	2.61%	2.39%	1.71%	1.71%	1.71%	1.71%

Liabilities

In addition to debt of £57.423m detailed previously, the Council is committed to making future payments to cover its pension fund deficit (valued at £42.7m as at 31st March 2021). It has also set aside £1.1m to cover risks of appeals against planning and NNDR decisions. No contingent liabilities are currently in place at the Council.

Governance: Decisions on incurring new discretionary liabilities are taken by Service Managers in consultation with the Strategic Director (Corporate Resources) and Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by the Head of Finance and reported quarterly to Finance and Management Committee. New liabilities exceeding the materiality threshold are reported to Full Council for approval/notification as appropriate.

Further details on liabilities and guarantees are on pages 59 and 71 to 76 of the draft 2020/21 Statement of Accounts

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP/ loan fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream, i.e. the amount funded from Council Tax, Business Rates and General Government grants. The table below illustrates the cost of the HRA debt to rental income.

Table 11: Prudential Indicator: Proportion of financing costs to net revenue stream

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Financing costs £m	1,540	1,738	1,456	1,456	1,186	1,186	1,186
Proportion of net revenue stream	12.86%	14.03%	11.29%	11.09%	8.83%	8.63%	8.43%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend far into the future. The Strategic Director (Corporate Resources) is satisfied that the proposed capital programme is prudent, affordable and sustainable due to the fact that all business cases and plans for expenditure have been submitted and formally approved following strict governance arrangements before funding is made available.

Investments will be measured using appropriate project appraisals such as NPV (net present value) and direct annual revenue effects will also be considered when assessing affordability. A robust system is in place to ensure that due regard is paid to the Code of Practice on a Prudential Approach to Local Authority Commitments in preparing the Capital Programme.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

For example, the Head of Finance is a qualified accountant, the Head of Corporate Property is a qualified Chartered Surveyor and the Committee are advised by the Section 151 Officer (Chief Finance) Officer who is the Strategic Director (Corporate Resources).

The day to day operational responsibility of the Capital Programme is undertaken by the Chief Accountant in the Financial Services Unit at the Council. The Council pays for junior staff to study towards relevant professional qualifications including AAT, CIPFA, ACCA and CIMA for continued professional development and business continuity.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is considered to be more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

REPORT TO:	COUNCIL	AGENDA ITEM: 11
DATE OF MEETING:	23 FEBRUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee21/22/Council/Feb
SUBJECT:	TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2022-23	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 The Treasury Management Strategy for 2022/23 (**Appendix 1**) is approved.
- 1.2 The Prudential Indicators and Limits for 2022/23 – 2026/27 (**Appendix 2**) are approved.
- 1.3 The Investment Policy for 2022/23 including the associated counterparty (lending) list (**Appendix 3**) is approved.

2.0 Purpose of the Report

- 2.1 To detail the Council's Prudential Indicators for its expected treasury operations for the medium-term financial planning period, 2022/23 to 2026/27. This is in accordance with the requirements of the Local Government Act 2003, updated for provisions contained in the Localism Act 2011. Three main areas covered are:
 - The CIPFA Prudential Code (2017) which requires the reporting of the Indicators for Capital Finance in Local Authorities.
 - The Treasury Strategy in accordance with the CIPFA Code of Practice on Treasury Management.
 - The Investment Strategy in accordance with Central Government guidance.

3.0 Summary

The Prudential System for Capital Finance

- 3.1 The Council is required to manage its treasury and capital expenditure activities under a National Code. The main aims of the National Prudential System are to ensure that:

- Capital investment plans of local authorities are affordable and sustainable.
- Treasury management decisions are taken in accordance with best professional practice.
- Financial planning and asset management are integrated into the Council's overall corporate planning arrangements.

3.2 Treasury operations are measured within a set of prudential indicators. The main purpose of these indicators is to provide the limits and benchmarks to control the level of capital expenditure, borrowing and investment. The Council is expected to operate comfortably within these limits.

3.3 The Prudential System allows councils the freedom to borrow on a prudential basis. Any new borrowing has to be accommodated within any maximum debt limits or caps set by Central Government and the Council has to demonstrate that it can afford to service and repay the debt within its financial plans.

The Treasury Management Strategy

3.4 The Strategy aims to provide transparency for treasury decisions including the use of counterparties, together with assessing how risk is managed on a day- to-day basis.

Prudential Indicators

3.5 The relevant indicators required under the regulations are detailed in the statement.

4.0 Financial Implications

4.1 As detailed in the report.

5.0 Corporate Implications

5.1 None directly

6.0 Community Impact

6.1 None directly

7.0 Background Papers

7.1 Treasury Management in Public Services and the Code of Practice (CIPFA Publication – November 2011)

7.2 Local Government Act 2003 (Part 1)

7.3 Localism Act 2011 – Part 7 Chapter 3



**South
Derbyshire
District Council**

Treasury Management Strategy Statement 2022/23
February 2022

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. 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 financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Updates on treasury activity are reported to the Finance and Management Committee on a quarterly basis. A further annual report is produced alongside the final accounts each July to detail all activity for the year.

Responsibility for Treasury Management

The Finance and Management Committee is responsible for setting and monitoring treasury activity at the Council. Under its terms of reference, this includes ensuring that the Council does not breach its borrowing limit.

The Committee is advised by its Section 151 (Chief Finance) Officer who is the Strategic Director (Corporate Resources). This Officer is responsible for the oversight of activity and to ensure that treasury strategy and associated policies are met.

The day-to-day operational activity is undertaken within the Financial Services Unit at the Council. The main officers who have responsibility for daily transactions are the Chief Accountant and the Service Accountants.

The Authorising Officers for transactions are the Strategic Director (Corporate Resources), and the Head of Finance. Any new borrowing or investment has to have the prior approval of the Strategic Director (Corporate Resources).

External Support for Treasury Activity

All designated officers involved in treasury activity are covered under the Council's Crime insurance. Officers are also supported by external treasury advisors who provide research material, news bulletins, together with general advice and guidance.

Audit Arrangements

The Council's Internal Audit function audits treasury policies and procedures, together with treasury activity and transactions at least once every two years. This is a requirement of External Audit. Any matters raised concerning any governance or control matters, are considered and monitored by the Council's Audit Sub-Committee.

Scrutiny and Training

Scrutiny is undertaken by the Finance and Management Committee as part of their role of agreeing policy and monitoring performance. The Audit Sub-Committee review internal audit reports regarding any procedural or wider control matters.

The Elected Members involved in reviewing Treasury Management have previously received training outside of formal reports and briefing papers. To strengthen the role of Members and to supplement their understanding, it is planned to deliver a further briefing/training session during the year for Members.

The Strategy

This strategy covers:

- The management of debt
- The Council's debt and investment projections
- The expected movement in interest rates
- The Council's borrowing and investment strategies
- Treasury performance indicators
- Specific limits on treasury activities
- Any local treasury issues

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant

presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had

made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

Local Context

On 31st December 2021, the Authority held £57.423m of borrowing and £76m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis below.

Balance sheet summary and forecast (£'m)

	2020/21 Actual	2021/22 Estimate	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
General Fund CFR	4,667	4,409	4,214	4,026	3,871	3,723	3,580
HRA CFR	61,584	51,584	51,584	41,584	41,584	41,584	31,584
Total CFR	66,251	55,993	55,798	45,610	45,455	45,307	35,164
<i>Less: External Borrowing</i>	57,423	47,423	47,423	37,423	37,423	37,423	27,423
Internal (over) Borrowing	8,828	8,570	8,375	8,187	8,032	7,884	7,741
<i>Less: balance sheet resources</i>	71,167	67,941	63,511	58,860	54,353	49,846	45,128
Treasury Investments	62,339	59,371	55,136	50,673	46,321	41,962	37,387

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

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 Authority has a decreasing CFR due to the repayment of PWLB debt and it's capital programme plans do not currently imply the need to borrow over the forecast period.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The above table shows that the Authority expects to comply with this recommendation during 2022/23.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as the balance sheet summary and forecast above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Liability Benchmark (£'m)

	2020/21 Actual	2021/22 Estimate	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Capital Financing requirement	66,251	55,993	55,798	45,610	45,455	45,306	35,164
Less: Balance sheet resources	(57,423)	(47,423)	(47,423)	(37,423)	(37,423)	(37,423)	(27,423)
Net loans requirement	8,828	8,570	8,375	8,187	8,032	7,883	7,741
Plus: Liquidity allowance	71,167	67,941	63,511	58,860	54,353	49,846	45,128
Liability benchmark	3,744	10,518	6,088	11,437	6,930	2,423	7,705

Following on from the medium-term forecasts above, the long-term liability benchmark assumes borrowing is repaid when due and no additional borrowing is required. Capital expenditure is funded from reserves. The liability benchmark increases over the medium term as debt is repaid and then decreases as reserves are utilised.

Borrowing Strategy

The Authority currently holds £57.423 million 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.

Objectives: 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.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term

borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.

The Council has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Derbyshire County Council Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Full Council.

LOBOs: LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Authority holds £76m invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £57m and £76m, and similar levels are expected to be maintained in the forthcoming year.

Objectives: Both the CIPFA Code and government guidance require the Council 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 Council'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.

Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council has opened additional money market funds to mitigate the risks of negative and zero interest rates. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits, and money market funds. The remainder of the Council's surplus funds are invested in other Local Authorities. The Council is committed to its Climate and Environment Strategy, plans to invest surplus funds in a socially responsible, sustainable economic investment are considered to provide both financial returns and social/environmental good. As surplus funds become available options for re-investing in ESG (Environmental Social & Governance) equity funds shall be contemplated. Any new fund manager appointments would be subject to due diligence by the Strategic Director (Corporate Resources) and approved at the Finance and Management Committee.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types below, subject to the limits shown.

Treasury investment counterparties and limits

Sector	Counterparty Limit	Time Limit	Sector Limit
The UK Government	£25m	364 days	n/a
Local authorities & other government entities	£5m	364 days	Unlimited
Banks (unsecured)*	£3m	35 days	Unlimited
Building societies (unsecured)*	£2m	35 days	£50m
Money Market Funds*	£2m	60 days	£16m
Strategic Pooled Funds	£4m	n/a	£4m
Other Investments*	£1m	35 days	Unlimited

This table must be read in conjunction with the notes below

* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment

decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

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

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

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

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

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

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

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority’s revenue reserves available to cover investment losses are forecast to be £38.2 million on 31st March 2022. In order that no more than 11% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £4 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives, and balances greater than £3,000,000 in operational bank accounts count against the relevant investment limits.

Liquidity management: The Authority uses a cash flow forecast to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on

unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority spreads its liquid cash over at least 11 providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential 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 in recent years is shown in the following table.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
7-Day Rate (target)	0.36%	0.35%	0.65%	0.65%	0.11%	0.09%
Actual Rate	0.25%	0.39%	0.66%	0.66%	0.13%	0.09%

As at 31st December 2021 the Council's investment portfolio is as follows:

	Current Rate(s)	Balance at 31.12.2021 £000
Local Authorities	0.03% - 0.40%	46,000
DMO	0.01% - 0.08%	18,500
Money Market Funds	0.03%	8,000
CCLA Property Funds	4.18%	4,000
Banks	0.0%	3,502
TOTAL		80,002

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account: On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and

range of the Authority's treasury management activities, the Strategic Director (Corporate Resources) believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2022/23 is £191K, based on an average investment portfolio of £53m million at an average interest rate of 0.35%. The budget for debt interest paid in 2022/23 is £1.5 million, based on an debt portfolio of £47.423 million at an average interest rate of 3.16%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different. Split into General Fund and HRA budgets.

Other Options Considered

The CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Strategic Director (Corporate Resources), having consulted the Finance and Management Committee, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2021

Underlying assumptions:

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.

- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.



**South
Derbyshire
District Council**

Prudential Indicators 2022/23

February 2022

Introduction

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimated Capital Expenditure and Financing

This is the approved capital investment programme for the General Fund, together with stock investment proposals included in the HRA Business Plan. The programme is summarised in the following table.

Estimated Capital Expenditure £	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
General Fund	1,538,110	3,610,332	5,336,123	1,127,893	1,732,442	1,916,760	849,211
HRA	4,342,363	2,944,703	2,900,000	2,432,186	2,877,000	3,143,503	2,497,000
Total	5,880,473	6,555,035	8,236,123	3,560,079	4,609,442	5,060,263	3,346,211
Financed by £	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Grants and Contribution	1,171,324	2,323,545	2,624,095	510,000	400,000	400,000	400,000
Council Resources	4,709,149	4,231,490	5,612,028	3,050,079	4,209,442	4,660,263	2,946,211
Total	5,880,473	6,555,035	8,236,123	3,560,079	4,609,442	5,060,263	3,346,211

The current year estimated expenditure on the General Fund relates to significant investment into the asset base of the Council. Approval for a capital bidding round and scoring of bids following recommendations from the Service and Financial Planning Working Group was granted at Finance and Management Committee on the 9th July 2020.

Of the 14 bids receiving approval 9 are ongoing with capital expenditure expected to commence in the new financial year. Along with the capital projects approved on 8th October 2020, the Council continues to invest in its ICT Strategy and vehicle replacement programme. The Council is also delivering projects across the District funded through the Better Care Fund.

Subsequent years' expenditure relates to the phasing of the larger Capital projects, continuing asset replacement program and investment onto the Council's ICT Strategy.

The general downward trend of HRA expenditure relates to the reduction in New Build Properties and a reduction in major works due to the need to set-aside funds for the repayment of debt. Current plans are to complete on the purchase of 5 new homes by the end of 2022/23, of the 5 new homes 2 are the result of a land swap and 3 will be purchased. The major repairs have a five-year plan for 176 of 230 Council properties to decent homes standard.

Overall, the capital expenditure programme is financed from Government grants, external contributions, Council reserves and capital receipts.

The table highlights that the five-year investment programme is fully funded. If all financing is not secured, expenditure will need to be curtailed or other resources and reserves identified.

Due to the current level of reserves and cash on deposit, current policy is that any longer term borrowing is undertaken only as a last resort to meet any shortfall; any new borrowing will only be undertaken prudentially within the Council's debt limits.

The Council's Borrowing Need or Capital Financing Requirement (CFR)

The CFR is a measure of the Council's underlying need to borrow for capital investment and is based on the net value of fixed assets contained in the Council's Balance Sheet.

The CFR does not necessarily represent the amount of actual external debt outstanding. This is due to the fact that not all borrowing previously allowed has in effect taken place against this requirement, but is being financed internally through cash deposits and reserves.

Capital expenditure that has not been immediately paid for increases the CFR through additional borrowing, including internally. The CFR is reduced following debt repayment or through setting-aside revenue sums to repay internal borrowing.

The Council is required to pay off an element of the accumulated General Fund CFR each year through a revenue charge called the Minimum Revenue Provision (MRP). In addition, a Voluntary Revenue Provision (VRP) is made where borrowing has taken place on a prudential basis.

There is no requirement to make a MRP for the HRA. However, money is being set-aside to repay HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan.

A summary of the CFR estimates is shown in the following table.

Expected CFR	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CFR b/fwd	66,572	66,251	55,993	55,798	45,610	45,455	45,307
Add New Financing	0	0	0	0	0	0	0
Less MRP	-190	-182	-175	-168	-155	-148	-142
Less VRP	-131	-76	-21	-21	0	0	0
Less Debt Repayment	0	-10,000	0	-10,000	0	0	-10,000
CFR c/fwd	66,251	55,993	55,797	45,609	45,455	45,307	35,165
General Fund Proportion	4,667	4,409	4,214	4,026	3,871	3,723	3,581
HRA Proportion	61,584	51,584	51,584	41,584	41,584	41,584	31,584
Total	66,251	55,993	55,798	45,610	45,455	45,307	35,165

The VRP has reduced to zero due to the repayment of previous internal borrowing schemes relating to the purchase of receptacles to extend the kerbside recycling scheme in 2013,

together with the repayment of the internal borrowing for the Grove Hall Extreme Sports projects.

Debt Pools

The Council operates two separate Debt Pools, one for the General Fund and one for the Housing Revenue Account (HRA). There is no external debt currently outstanding on the General Fund, although it has a positive CFR representing an underlying borrowing need.

The General Fund CFR is reduced each year by a statutory revenue charge known as the Minimum Revenue Provision (MRP). In addition a Voluntary Revenue Provision (VRP) is made where borrowing has been undertaken on a prudential basis.

There is no requirement to make a MRP or VRP in the Housing Revenue Account. The HRA has debt outstanding of just over £57m. This represents the debt inherited under the self-financing framework for Council Housing.

Although no MRP is required for the HRA, money is being set-aside to repay the HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan. The expected CFRs over the current financial planning period to 2026/27 are detailed in the following table.

Expected CFR	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
General Fund Proportion	4,667	4,409	4,214	4,026	3,871	3,723	3,581
HRA Proportion	61,584	51,584	51,584	41,584	41,584	41,584	31,584
Total	66,251	55,993	55,798	45,610	45,455	45,307	35,165

The CFR on the General Fund will continue to reduce over the medium-term due to MRP/VRP being applied. These charges for all years are included in the Council's base budget.

Effectively, the MRP/VRP creates a cash amount in the Council's budget in order to write down the underlying borrowing requirement.

The larger CFR on the HRA has remained static in previous years, the first repayment of £10m self-financing loans is due in March 2022, with another repayment in March 24, after these payments the CFR is forecast to remain static for a period, unless any new borrowing is required.

Limits to Borrowing Activity

The Council is required to set limits on overall borrowing (net of investments). This controls borrowing and ensures that the Council does not, except in the short term, exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for the current and the next two financial years.

A short term deviation is allowed for flexibility if a limited amount of borrowing was required to meet temporary shortfalls in cash flow. The estimated position is detailed in the following table.

Estimated Borrowing Compared to the CFR	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Gross Borrowing - HRA	57,423	47,423	47,423	37,423	37,423	37,423	27,423
Gross Borrowing - General Fund	0	0	0	0	0	0	0
Total Gross Borrowing	57,423	47,423	47,423	37,423	37,423	37,423	27,423
Total CFR	66,251	55,993	55,798	45,610	45,455	45,307	35,165

The above table shows that as gross borrowing is likely to remain below the CFR, the Council will comply with this Prudential Indicator.

The Authorised Limit for External Debt

This is the limit beyond which external debt is prohibited. It is the statutory limit determined under section 3(1) of the Local Government Act 2003. The debt cap for HRA self-financing was removed by the Government in 2018/19.

The Operational Boundary for External Debt

This represents the expected external debt during the course of the year, but it is not a limit. It is designed to aid the Chief Finance Officer to manage treasury activity on a daily basis and acts as an early warning sign of any potential issues. It includes a provision for temporary borrowing of £5m. As in recent years, it is not expected that any temporary borrowing will be required, but is included as a contingency should cash flow become negative in the short-term.

The Limit and Boundary are summarised in the following table.

Debt Limits	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Authorised Limit - General Fund	4,667	4,409	4,214	4,026	3,871	3,723	3,580
Authorised Limit - HRA	66,853	66,853	66,853	66,853	66,853	66,853	66,853
Operational Boundary	62,423	52,423	42,423	42,423	42,423	42,423	32,423

As noted above, there is no longer a debt cap on the HRA and therefore borrowing is no longer restricted but it must remain affordable over the plan.

To ensure affordability, the Chief Finance Officer has retained the former limit.

Cost of Debt to Finance Capital Expenditure

This indicator shows how much per year the costs of borrowing impact upon each household (at Band D Council Tax rate) in the District and for each council tenant (HRA).

As there is no actual debt on the General Fund, the impact on Council Tax is positive as this represents interest on cash deposits.

Cost of Servicing Debt	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Estimated Net Interest Received - General Fund	-247,667	-150,000	-100,000	-81,960	-80,000	-80,000	-80,000
Estimated Band D Properties (per MTFP)	34,474	35,218	36,702	37,548	38,393	39,286	40,179
Cost per Band D Property	-£7.18	-£4.26	-£2.72	-£2.18	-£2.08	-£2.04	-£1.99
Estimated Net Interest Payable - HRA	1,540,408	1,737,855	1,456,005	1,456,085	1,186,167	1,186,251	1,186,251
Estimated Dwellings (per MTFP)	2,931	2,949	2,937	2,919	2,901	2,883	2,865
Annual Cost per Dwelling	£525.56	£589.30	£495.75	£498.83	£408.88	£411.46	£414.05

The Use of the Council's Resources and the Investment Position

The Council has available at any one time, reserves and balances which are held to finance future expenditure commitments or to act as a contingency sum as recommended by the Council's Chief Finance Officer.

These balances are available for investment on a short-term basis in accordance with the Investment Strategy. The expected level of reserves and balances is shown in the following table.

Estimated Usable Reserves	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
General Fund	12,796	11,402	9,913	7,260	4,309	1,003	-2,436
Earmarked	21,518	21,688	20,184	19,750	18,665	17,566	17,117
Capital Receipts and Grants	12,217	11,168	10,651	10,135	9,620	9,098	8,570
Debt Repayment	8,006	1,600	5,693	14	3,218	6,160	48
HRA General Reserve	8,430	6,727	5,107	3,509	2,952	2,772	2,221
Total Reserves	62,967	52,585	51,548	40,668	38,765	36,600	25,520

The above table shows that overall the level of resources is expected to decrease over the financial period and it assumes in particular, that forecasted deficits on the General Fund will be financed from general reserves until budget savings or additional income are identified. When identified, the level of resources will remain higher.

Based on this level of reserves, it is estimated that the Council will continue to have funds available for investment each year. In accordance with the Investment Strategy, these investments will continue to be held in short-term (less than 364 days) deposit accounts.

Ratio of Financing Costs to Net Revenue Stream

Page 180 of 230

This indicator shows the trend in the net cost of borrowing (allowing for investment income) against the net revenue stream, i.e. Council Tax for the General Fund and Rent Income for

the HRA. Estimates are included in the Council's Medium Term Financial Plan (MTFP) and are shown in the following table.

Financing Ratios	Actual 2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
General Fund							
Estimated Council Tax Income	6,552,782	5,941,508	6,284,747	6,412,322	6,687,869	6,980,282	7,281,557
Net Interest Receivable	-247,667	-150,000	-100,000	-81,960	-80,000	-80,000	-80,000
Proportion	-3.78%	-3.02%	-2.57%	-2.73%	-1.67%	-1.57%	-1.57%
HRA							
Estimated Rental Income	11,977	12,385	12,893	13,124	13,433	13,749	14,073
Estimated Interest Payable	1,540	1,738	1,456	1,456	1,186	1,186	1,186
Proportion	12.86%	14.03%	11.29%	11.09%	8.83%	8.63%	8.43%

With no debt on the General Fund, the indicator is negative. The ratio reflects the level of "gearing" - how much of the Council's revenue is tied up in borrowing costs. Although the proportion for the HRA is greater in percentage terms, this is a relatively fixed cost but affordable within the HRA's Financial Plan.

COUNTERPARTY LIST 2021/22
(as at February 2022)

Treasury investment counterparties and limits

Sector	Counterparty Limit	Time Limit	Sector Limit
The UK Government	£25m	364 days	n/a
Local authorities & other government entities	£5m	364 days	Unlimited
Banks (unsecured)*	£3m	35 days	Unlimited
Building societies (unsecured)*	£2m	35 days	£50m
Money Market Funds*	£2m	60 days	£16m
Strategic Pooled Funds	£4m	n/a	£4m
Other Investments*	£1m	35 days	Unlimited

This table must be read in conjunction with the notes below

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

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

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

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

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

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

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

REPORT TO:	COUNCIL	AGENDA ITEM: 12
DATE OF MEETING:	23 FEBRUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@southderbyshire.gov.uk	DOC: u/ks/budgets/budget 2022 23/Section 25 Report 2022 Council
SUBJECT:	ANNUAL REPORT OF THE SECTION 151 OFFICER	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the Annual Report of the Section 151 Officer is considered and noted.
- 1.2 That the Council has due regard to the Annual Report when approving the Budget for 2022/23 and when considering future proposals for new spending and the utilisation of resources.
- 1.3 That no new spending commitments are added to the Base Budget and Medium-Term Financial Plan approved by the Finance and Management Committee on 10 February 2022.
- 1.4 That the Medium-Term Financial Plan continues to be reviewed and updated on a quarterly basis.

2.0 Purpose of the Report

- 2.1 In their role as the Council's Section 151 (Chief Finance) Officer, the Strategic Director (Corporate Resources) is required, under Section 25 of the Local Government Act 2003, to provide an overall opinion on the robustness of the estimates included in budgets and the adequacy of Council reserves.
- 2.2 In doing so, the Report also includes an assessment of the Council's financial sustainability based on its spending plans and projected resources available, as set out in its Medium-Term Financial Plan (MTFP).
- 2.3 It is recommended that Elected Members of the Council pay due regard to the Annual Report when approving the Budget for 2022/23 and when considering proposals for new spending and the utilisation of resources.

3.0 Executive Summary

Overall Opinion of the Section 151 Officer

- 3.1 The overall financial position of the Council has not changed significantly over the last year with the same prognosis underlying current forecasts. Based on the Budgets submitted for approval and the latest MTFP, the Council's current financial position continues to look healthy ahead of 2022/23.
- 3.2 However, over the planning period to 2026/27, the position is forecast to deteriorate based on current spending and projections regarding funding. Although the latest MTFP highlights the General Fund still operating above its minimum level of reserves of £1.5 million for the next three years until 2024/25, significant budget deficits continue to be forecast in the intervening period.
- 3.3 These deficits, which will be financed from current reserves, effectively show that the on-going position is not sustainable and will reduce the current General Fund Reserve from approximately £11.4 million in 2022 to £1.2 million by 2026 and into a negative position by 2027, as highlighted in Section 4 (below).
- 3.4 It is noted that the Finance and Management Committee have recommended a £4.95p (2.9%) increase in Council Tax at Band D for 2022/23. This is a prudent decision given the reduction in Government funding between 2021/22 and 2022/23 and the need to maintain the minimum balance by 2026/27.
- 3.5 The cumulative effect of the increase now will help to sustain the financial position and provide resources over the planning period as growth continues and the Tax Base increases.
- 3.6 Projected spending continues to allow for the anticipated growth associated with residential development and other provisional expenditure such as additional waste collection costs, vehicle, and IT replacements, etc. The MTFP also continues to assume that current service provision is maintained over the planning period, with allowances for inflation on pay and contracts, etc.
- 3.7 Although the Council can control its expenditure base and has time to take corrective action in a timely and planned manner, if necessary, it cannot as easily control its external funding and in particular that provided by central government which accounts for approximately 60% of the Council's funding (the remaining 40% is met from Council Tax).
- 3.8 The biggest uncertainty and consequently the main risk to the Financial Plan, continues to be Government funding. It was expected that the Government would review the distribution of funding ahead of 2022/23 and also bring in reforms regarding the New Homes Bonus or implement a replacement.
- 3.9 However, the current funding system was once again rolled forward into a one-year settlement for 2022/23. Consequently, the Council lost funding compared to 2021/22 as legacy payments in the New Homes Bonus expired and were not replaced.
- 3.10 Although the MTFP had made provision for this, it has negatively impacted on the medium-term financial position, with the loss of approximately £418,000 (10.7%) of core funding in relation to New Homes Bonus and Service Support Grants.

- 3.11 Currently, there is no definitive timetable regarding a funding review and the form that this may take in the future. Recently, the Local Government Minister has indicated that consultation will commence in the Spring of 2020 on a future funding system and New Homes Bonus.
- 3.12 In the meantime, the MTFP continues to be based on the presumption that the Council will continue to lose funding and will ultimately be scaled back to a base funding allowance, the basis of which remains out-of-date. More importantly, it is considered that the current system and settlement in recent years, does not reflect the growth and current needs of the District.
- 3.13 Consequently, over the medium-term, this leaves the Council in a position where it may need to raise additional income locally or review its expenditure base. This would need to be undertaken ahead of 2024/25 in order that any changes can be properly considered and implemented.

External Comparisons

- 3.14 During 2021, the Council's Financial Resilience Index (*compiled by the Chartered Institute of Public Finance and Accountancy and published in January 2022*) was updated.
- 3.15 This broadly confirmed the Council's position. This Index continues to highlight that the Council's current level of Reserves places the Council at a lower risk of financial difficulties with its sustainability measure being high in comparison to many other authorities. Further details are provided in Section 4 later in this Report.

Covid-19

- 3.16 As regularly reported, the Council has incurred additional costs and a reduction in income due to Covid-19. However, Government funding received to-date should, based on current estimates, compensate the Council without any longer-term effect on the MTFP, but this is being kept under review.

Future Plans

- 3.17 Although the Council remains in a positive position at this point, it should not be complacent and continue to operate with a certain degree of caution. Where-ever possible, opportunities to generate efficiency and budget savings should be pursued with the concept of providing Value for Money being at the core of all Council spending.
- 3.18 It is acknowledged that there may be proposals to meet certain spending pressures, which are not included in the MTFP. Re-directing current resources and/or using earmarked reserves should be considered where there may be greater pressure to spend.
- 3.19 In the meantime, it is recommended that no further financial commitments, beyond the proposed Budget and MTFP recommended by the Finance and Management Committee on 10 February 2022, should be made, with the position continuing to be reviewed and updated on a quarterly basis.

4.0 Detail

Basis of the Opinion

- 4.1 The Opinion is given within the general context detailed below, followed by a summary of each of the Council's main accounts and their financing. Reference is made to the separate budget reports considered by the various Policy Committees during January and February 2022.
- 4.2 The opinion also considers a broad independent analysis of the Council's financial resilience.

General Context

- 4.3 It is considered that estimates of income and expenditure included in the Base Budget and longer-term financial forecasts are prudent. They provide for inflation and other known variations (pensions, pay awards, etc.) together with provisions that recognise current cost pressures, and potential costs associated with Growth of the District.
- 4.4 The Budget for 2022/23 and forward projections are based on the most up-to-date economic forecasts for inflation and interest rates, etc. However, as the Budget is being presented for consideration and approval, it should be noted that the Council is operating in particularly uncertain times economically.

Economic Uncertainty

- 4.5 With current inflation rates rising quite rapidly, this may put further pressure on spending. Budget reports to the various Policy Committees have highlighted the rising cost of fuel and utilities and the Budget has made provision for this. This will need to be kept under review pending whether the spike in current inflation is a longer-term issue.
- 4.6 Rising interest rates though should benefit the Council and generate a greater return from cash and reserves on deposit. The debt outstanding on the Housing Revenue Account is at fixed interest rates and will not be affected by base rate changes.
- 4.7 Prudently, the Budget does not assume a vacancy rate for staffing and assumes that all posts on the Council's Establishment are filled throughout the year. Where posts are vacant and problems may be experienced with recruitment, this allows a contingency to maintain services through temporary arrangements.
- 4.8 In addition, a realistic but prudent view has been taken regarding projected income levels from fees, charges, and short-term investments. This also includes a prudent reduction in overall Government funding as highlighted in Section 3 (above).
- 4.9 Forward projections for Council Tax receipts are based on an increase in property numbers which are less than those contained in the Local Plan.

Budget Strategy and Process

- 4.10 The compilation of detailed budgets has been undertaken in conjunction with service/budget managers and reviewed by the Council's senior management.

- 4.11 It is recognised that the Council has well established performance and budget monitoring arrangements in place to help ensure the Council finances are monitored effectively. This includes quarterly reports to the Finance and Management Committee, in addition to statutory reports regarding the Annual Accounts and the Annual Budget.
- 4.12 The Council has traditionally spent within budget and generated additional income over that estimated. Although this is no guarantee of future performance, it does provide some comfort that budget preparation and budget management is sound.
- 4.13 The Council's Financial Strategy directs the Council to plan its spending over a 5-year rolling period for the General Fund and 10 years for the Housing Revenue Account (HRA). This provides an indication of the sustainability of spending plans and the projected level of Reserves. Consequently, this allows sufficient time in which remedial action can be implemented to address any issues in a planned and timely manner.
- 4.14 A full risk assessment, with mitigating actions, is considered alongside the MTFP for both the General Fund and the HRA and risks for each Policy Committee are reported alongside budget proposals.

Financial Resilience

- 4.15 The Chartered Institute of Public Finance and Accountancy (CIPFA) first published a Financial Resilience Index in December 2019. This was updated in January 2022.
- 4.16 This Index calculates the Council's position on a range of measures associated with financial risk, with a comparison to similar authorities. It is based on actual audited figures for the financial year 2020/21.
- 4.17 The Index is based on 8 measures, although they can be distilled down to 3 categories to illustrate the Council's position as shown below.

Financial Stress Indicator	Comparison Rating
Level and Sustainability of Reserves	Lower Risk
Debt level and interest payable	Higher Risk
Financing	Higher Risk

Note: The ratings have not changed since 2019

Reserves

- 4.18 The Council's current level of Reserves highlights that the Council continues to be in a strong position compared to many other shire districts.

Debt Level and Interest

- 4.19 The Council does have a high level of debt associated with the HRA which it inherited from the Government under the "self-financing system" in 2012/13. It is considered that the comparison with other authorities is influenced by the fact that

many shire districts do not have their own housing stock, Consequently, there is a risk that this could skew the comparison.

- 4.20 Nevertheless, the level of outstanding debt for a district council is large at £58 million. However, the cost of the debt and its repayment remains affordable within the HRA's Financial Plan and the financial model for the HRA is designed to ensure sums are set-aside on an annual basis to repay the debt.
- 4.21 £30 million is due to be repaid over the life of the current Financial Plan, starting with the first instalment in March 2022, for which resources have been set-aside for the repayment.

Financing

- 4.22 The Council is placed at a higher risk due to its reliance on the Government's funding system. Although the Council does not receive any Revenue Support Grant, its level of income from Business Rates, due to Growth, is above its Baseline Level set by the Government in the current funding system.
- 4.23 Therefore, the Council is at risk to changes in the funding system and in particular if/when the Baseline Level is reset. If the Council's need is assessed as far less than that currently due to its Growth, then the Council could be penalised through an increase in its Levy.
- 4.24 This would be exacerbated if the Council were not part of the Derbyshire Business Rates Pool as no Levy (50%) is paid on Growth above the Baseline.

(Note: The Levy is effectively the amount that the Council pays to the Government from its 40% share of local Business Rates as part of the redistribution system of local authority resources)

- 4.25 The Index also highlighted that the Council does not generate as much income from fees and charges compared to other authorities. Again, this comparison may be influenced by the fact that the Council does not charge for car parking and will be in a minority of authorities who don't charge.
- 4.26 This specific indicator has improved in the latest Index compared to December 2019, but it could have been impacted by Covid-19.

General Fund Revenue Account

- 4.27 The Base Budget for 2022/23 highlights a budget deficit as previously forecast, which will be financed from the General Fund Reserve, as planned.
- 4.28 Increasing budget deficits continue to be forecast in all years of the updated MTFP to 2026/27. This is based on current expenditure increasing and current central government funding decreasing.
- 4.29 As the Resilience Index highlights, the Council is at risk from changes in the current funding system and the current uncertainty makes future planning more difficult. The MTFP prudently assumes that overall funding will fall towards its baseline funding assessment and if this is the outcome for the Council, potential deficits will need to be addressed earlier than previously planned ahead of 2024/25.

- 4.30 Growth also brings additional demand on the Council's services, and it is noted that the MTFP continues to set-aside sums in the Base Budget to meet future costs.

General Fund Reserve

- 4.31 The current level of the Reserve continues to remain healthy. The projected level of the Reserve over the medium-term planning period is summarised below.

2021/22	£11.4 million
2022/23	£9.9 million
2023/24	£7.3 million
2024/25	£4.4 million
2025/26	£1.2 million
2026/27	Minus £2.1 million

- 4.32 The above table shows that the General Fund Reserve is projected to reduce quite significantly over the current planning period. This allows the financing of committed capital projects and asset replacements, together with budget deficits, which include provisions to increase spending arising from Growth.
- 4.33 Under statute, the Council has to maintain an unallocated contingency in its General Reserve. The Council has discretion on how this is calculated, considering the recommendation of the Section 151 Officer. Good practice suggests that the minimum level should be between 5% and 10% of net revenue expenditure.
- 4.34 The current approved minimum level is £1.5 million, to be maintained by the end of the five-year rolling planning period, i.e., 2026/27. This equates to 10.3% of net expenditure in 2022/23, falling to 8.9% by 2026/27.
- 4.35 Based on these latest projections, this target will not be met without corrective action or additional funding being generated.

Housing Revenue Account (HRA)

- 4.36 The HRA also remains in a healthy position and the current 10-year Financial Plan shows a sustainable position. It is noted that the Plan is based on a rent increase of 4.1% for 2022/23 in accordance with the prevailing national Rent Standard. The HRA General Reserve is currently forecast to remain at or above the minimum contingency level of £1 million over the life of the planning period.
- 4.37 Resources have been set-aside to deliver a capital programme of works and to maintain services at their current levels.
- 4.38 Resources have also been set-aside to repay debt. It is noted that the financial model for the HRA is designed to generate sufficient surpluses to maintain the original debt repayment schedule approved in 2012/13. Total debt outstanding is £58 million, of which £30 million is due to be repaid over the next ten years.
- 4.39 The HRA's financial risk register shows that the main issues potentially are the continuing level of Right to Buys, rent arrears increasing due to tenants transferring to Universal Credit and in particular, the external financing of the Supporting People Programme.

- 4.40 It has been confirmed that Derbyshire County Council will no longer support the Careline service past March 2023. The HRA's MTFP included a contribution of £130,000 per annum over the life of the Plan which has now been removed.
- 4.41 Service provision is currently under review and a new working model will be reported to the Council during 2022. In addition to the loss of income, there are likely to be significant costs incurred for the transfer of the service from analogue to digital. The costs are still unknown but further detail will be reported to the Council during 2022.
- 4.42 However, given the current position of the HRA, any remedial action required can be achieved in a planned and timely manner, although a more detailed review of resources may be required depending on the magnitude of costs. If the risks impact as highlighted above.

Capital Expenditure and Financing

- 4.43 All capital projects both in the General Fund and the HRA, have sufficient resources set-aside to finance the associated expenditure.
- 4.44 It is expected that potential asset sales over the MTFP period from further collaboration agreements, will generate resources, although these are not guaranteed. Additional receipts will need to be generated at some point to help finance future vehicle and other asset replacements.
- 4.45 Potentially, there is a shortfall of receipts in 2025/26 and Finance and Management Committee have agreed that the Council's vehicle replacement programme should be reviewed and reported back to the Committee for consideration during 2022.
- 4.46 Besides this issue, there are no major concerns currently associated with capital expenditure and its financing.

Treasury Management

- 4.47 The General Fund is currently debt free. Council expenditure is not reliant on any borrowing and given the current level of reserves and cash on deposit, it is unlikely that the Council will need to enter into any form of borrowing over the financial planning period.
- 4.48 The HRA debt is mainly at fixed interest rates and provision is being made in the HRA's financial plan to repay loans in accordance with a repayment schedule. A proportion of variable rate debt is currently costing significantly less than that budgeted so this provides some contingency should interest rates increase. This loan is due to be repaid very shortly in March 2022 in any case.
- 4.49 The Council is not reliant on interest rates increasing to generate a return on investments. A prudent assessment has been made in the MTFP for interest and dividends on investments and this is below the amount actually being generated. As previously highlighted, an increase in rates would be beneficial for the MTFP.
- 4.50 The Treasury Management Strategy includes a Lending Policy and Counterparty List. This is designed to ensure the liquidity and security of investments, rather than yield.

- 4.51 Overall, there are currently no major concerns associated with the Council's current treasury management position.

Other Usable and Earmarked Reserves

- 4.52 The Council maintains various reserves that are used to meet one-off/known commitments or to defray expenditure over a number of years, for example, ICT upgrades, vehicle replacements and community development projects.
- 4.53 Reserves held to finance on-going community and sports development spending, will need to be kept under review if external and partnership contributions significantly reduce. On-going contributions to asset replacement reserves are provided for in the MTFP.
- 4.54 Overall, it is considered that current reserves will remain sufficient to meet commitments over the life of the current MTFP. In addition, they should continue to be reviewed on an on-going basis to determine whether they are still required or can be reassigned to meet other emerging cost pressures.

5.0 Financial Implications

- 5.1 None as a direct result of this report.

6.0 Corporate Implications

Employment Implications

- 6.1 None.

Legal Implications

- 6.2 None.

Corporate Plan Implications

- 6.3 None. The production of the Section 25 Report is a statutory requirement.

Risk Impact

- 6.4 None.

7.0 Community Impact

Consultation

- 7.1 The Council is statutorily required to consult on its budget proposals, prior to setting the annual Council Tax rate, with the local business and community sector. The Council has an established process in place to meet this requirement and this was undertaken in January 2022.
- 7.2 Consultation takes place for approximately four weeks following approval of the draft budget proposals by Finance and Management Committee in January each year. There was no specific feedback or comments raised from the consultation this year.

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

Equality and Diversity Impact

- 7.5 None.

Social Value Impact

- 7.6 Not applicable.

Environmental Sustainability

- 7.7 Not applicable.

8.0 Background Papers

- 8.1 None

REPORT TO:	COUNCIL	AGENDA ITEM: 13
DATE OF MEETING:	23 FEBRUARY 2022	CATEGORY:
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS CONTACT POINT:	KEVIN STACKHOUSE kevin.stackhouse@southderbyshire.gov.uk	DOC: s/finance/committee/2021-22/Feb/Council/Council Tax
SUBJECT:	BUDGET AND COUNCIL TAX SETTING 2022/23	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That the Council's Budget for 2022/23, as detailed in *Appendices 1 to 3*, is approved.
- 1.2 That the Council's Medium-Term Financial Plan for the period 2022/23 to 2026/27, as detailed in **Appendix 4**, is approved.
- 1.3 That the Council Tax resolutions for 2022/23 as detailed in **Appendix 5**, including the accompanying **Schedules A to C**, are approved.

2.0 Purpose of the Report

- 2.1 To set out the statutory resolutions to enable the Council to calculate and set its Budget and level of Council Tax for 2022/23. This is in accordance with regulations under the Local Government Finance Act 1992, as amended by the Localism Act 2011.
- 2.2 The report is set out in the following sections / appendices:
 - **Section 3: Executive Summary** – summarising the proposed Council Tax level for South Derbyshire residents including charges set by other precepting authorities, together with an explanation of the technical resolutions.
 - **Appendix 1:** The detailed budget for 2022/23 for Environmental and Development Services, as recommended by the Finance and Management Committee on 10 February 2022.

- **Appendix 2:** The detailed budget for 2022/23 for Housing and Community Services, as recommended by the Finance and Management Committee on 10 February 2022.
- **Appendix 3:** The detailed budget for 2022/23 for Financial and Corporate Services, as recommended by the Finance and Management Committee on 10 February 2022.
- **Appendix 4:** The Medium-Term Financial Plan 2022/23 to 2026/27 as recommended by the Finance and Management Committee on 10 February 2022. This is based on a Council Tax increase in 2022/23 of £4.95 (2.95%).
- **Appendix 5:** The formal Council Tax resolutions to meet statutory requirements.
- **Appendix 6:** The detailed Tax Base, Precept and Band D rates for Parish Councils, together with the level of Council Tax Reduction Scheme (CTRS) Grant allocated to Parish Councils.
- **Schedules A to C:** These detail the level of Council Tax by Preceptor and by band, aggregated for each part of the District.

3.0 **Executive Summary**

- 3.1 The Council is required to calculate a Council Tax Requirement (CTR) for the forthcoming financial year, 2022/23. Not only is this the basis for the local Council Tax rate, the CTR is used to test whether an increase in Council Tax from year to year is excessive in accordance with criteria laid down by the Secretary of State.

Precepts

- 3.2 The precept levels of other precepting bodies have been received and these are detailed below.

Parish Councils

- 3.3 Parish Council precepts for 2022/23 as notified to the Council under Section 41 of the Local Government Finance Act 1992 are detailed in **Appendix 2** and total £986,564.

Derbyshire County Council

- 3.4 Derbyshire County Council met on 4 February 2022 and set their precept at £52,284,146. This results in a Band D Council Tax of £1,424.56 for 2022/23 (£1,383.07 in 2021/22). *This includes a specific Precept to fund Adult Social Care.*

Police and Crime Commissioner for Derbyshire

- 3.5 The Derbyshire Police and Crime Commissioner confirmed their precept on 7 February 2022 at £9,234,223. This results in a Band D Council Tax of £251.60 (£241.60 in 2021/22).

Derbyshire Fire and Rescue Service

- 3.6 The Derbyshire Fire and Rescue Authority met on 10 February 2022 and set their precept at £2,966,990 This results in a Band D Council Tax of £80.84 (£79.27 in 2021/22).

Overall Council Tax Level 2022/23

- 3.7 The Council Tax for District (South Derbyshire) Services is based on budgeted spending levels for 2022/23, as recommended by the Finance and Management Committee on 10 February 2022 and detailed in **Appendices 1 to 3**. The Finance and Management Committee recommended an increase of £4.95 (2.95%) on a Band D property for 2022/23. This has been reflected in the schedules and resolutions. Consequently, the total Band D Council Tax for 2022/23 will be as follows:

Overall Band D Council Tax (per year)	2021/22 £:p	2022/23 £:p	Increase £:p	Increase %
South Derbyshire District Council	167.96	172.91	4.95	2.95%
Derbyshire County Council	1,383.07	1,424.56	41.49	3.00%
Police and Crime Commissioner for Derbyshire	241.60	251.60	10.00	4.14%
Derbyshire Fire and Rescue Service	79.27	80.84	1.57	1.98%
TOTAL	1,871.90	1,929.91	58.01	3.10%

- 3.8 An explanation of the resolutions in **Appendix 1** is provided below.

Resolution 1 - Council Tax Base

- 3.9 This is the District Council's Tax Base, which was approved by the Finance and Management Committee at its meeting held on the 13 January 2022. The Tax Base was set at **36,702** and is known as **Item T**.

Resolution 2 – The Council Tax Requirement (CTR)

- 3.10 This is the amount of revenue expenditure to be met from Council Tax. It is the Council's Band D rate (excluding Parishes) multiplied by its Council Tax Base, as follows:

$$£172.91 * 36,702 = \underline{\underline{£6,346,143}}$$

Resolution 3 (a)

- 3.11 This is the Council's estimated gross expenditure for 2022/23 including the Housing Revenue Account and Parish Precepts and totals £45,657,083.

Resolution 3 (b)

- 3.12 This is the Council's estimated income for 2022/23. It includes all fees and charges, together with housing rents, specific government grants, contributions from reserves and declared surpluses on the Collection Fund. The total is £38,332,944.

Resolution 3 (c)

- 3.13 This is the difference between 3 (a) and 3 (b), i.e. £7,332,707 and is known as **Item R**. It represents the CTR for the year of £6,346,143 (Resolution 2) together with Parish Precepts of £986,564.

Resolution 3 (d)

- 3.14 This is the basic amount of Council Tax for 2022/23, including Parish Precepts and is item R divided by item T. i.e.

$$£7,332,707 / 36,702 = \underline{\underline{£199.79}}$$

Resolution 3 (e)

- 3.15 This is the total amount of Parish Precepts as detailed in **Appendix 2**, i.e. £986,564.

Resolution 3 (f)

- 3.16 This is the basic amount of Council Tax for areas where no Parish Precept applies, i.e.

$$£199.79 - (£986,564 / 36,702) = \underline{\underline{£172.91}}$$

Resolutions 4 and 5

- 3.17 These confirm the precepts levied by Parish Councils together with those notified to the Council by the County, Police/Crime Commissioner and Fire authorities. The equivalent tax rates by property band are shown in Schedules A and B.

Resolution 6

- 3.18 This is the aggregate amount of Council Tax for South Derbyshire as detailed in **Schedule C**.

Resolution 7

- 3.19 Schedule 5 of the Localism Act 2011 makes provision for a referendum to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State.
- 3.20 The Secretary has determined that for 2022/23, a Council Tax will be *deemed excessive* (and subject to a local Referendum) for shire district councils if the authority's relevant basic amount of Council Tax (i.e. Band D) for 2022/23 is:
- (a) *2% greater than its relevant basic amount of Council Tax for 2021/22; and*
 - (b) *£5 greater than its relevant basic amount of Council Tax for 2021/22.*
- 3.21 As shown in the table in **paragraph 3.7**, the District's Band D rate will increase following the recommendation of Full Council on 23 February 2022, by £4.95. Therefore, under the principles set out by the Secretary of State, the Council's increase is not deemed excessive.

ENVIRONMENTAL & DEVELOPMENT SERVICES - BUDGET SETTING 2022/23

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

Dealing with Development Control Applications	274,891	281,178	-6,287	Increased staff costs £81k; reduced insurance £1k, legal budget trf to F&M £5k, increased reserve drawdown £81k
Structure and Local Planning	305,250	313,807	-8,557	Removed grant pays £10k, increased training £2k
Street Name & Numbering	-6,986	-7,556	570	
PLANNING	624,354	638,628	-14,274	
Grounds Maintenance	674,977	653,399	21,578	Reduced staff costs £2k; increased depreciation £18k, HRA recharge reduction £6k
Street Cleansing (not chargeable to highways)	531,284	540,678	-9,394	Increased staff costs £5k, tools £1k; increased income £2k, reduced depreciation £14k
STREET SCENE	1,206,261	1,194,076	12,185	
Household Waste Collection	1,581,052	1,745,163	-164,111	Increased staff costs £12k, bins £5k, waste disposal £32k; reduced depreciation £178k, insurance £3k, increased DCC income £34k
Trade Waste Collection	-98,559	-99,563	1,004	Increased internal recharges £14k, increased waste disposal costs £15k
Recycling	429,938	417,249	12,689	Increased vehicle hire £8k, disposal costs £8k, insurance £11k, contract income increase £22k, reduced reserve funding £8k
Direct Services Central Admin	346,843	347,325	-482	
Transport Services	843,159	760,974	82,185	Increased fuel £37k, spare parts £23k, insurance £18k, subscription £4k
WASTE & TRANSPORT	3,102,433	3,171,147	-68,714	
	6,127,447	6,214,931	-87,485	

HOUSING & COMMUNITY SERVICES - BUDGET SETTING 2022/23

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

Play schemes	20,004	19,950	55	Reduced staff costs £8k, tools £4k; reduced reserve drawdown £12k
LEISURE CENTRES & COMMUNITY FACILITIES	753,081	757,807	-4,727	
Allotments	-799	-1,091	292	
Rosliston Forestry Centre	297,213	263,450	33,763	Increased repairs £3k, NNDR cost £2k, depreciation £6k, insurance £2k, utilities £1k, loss of income Forestry England £20k
Cemeteries	17,086	18,950	-1,863	Increased repairs £2k; increased fees £4k
Closed Churchyards	7,608	7,241	366	
Parks and Open Spaces	317,369	303,035	14,334	Increased depreciation £14k, insurance £1k, trade waste recharge £1k, reduced income £3k; reserve drawdown £4k
PARKS & OPEN SPACES	638,477	591,585	46,892	
Housing Standards	94,453	93,369	1,084	Increased staff costs £2k; reduced prof fees £1k
Housing Strategy	95,959	97,880	-1,921	Reduced staff costs £1k, subs £1k
Administration of Renovation & Improvement Grants	52,119	50,298	1,821	Software maintenance
Bed / Breakfast Accomodation	6,500	6,500	0	
Pre-tenancy Services	216,660	190,421	26,238	Increased staff costs £26k, subs £7k; reserve drawdown £7k
Other Housing Support Costs (GF)	34,466	34,014	451	
PRIVATE SECTOR HOUSING	500,156	472,482	27,674	
	2,765,816	2,678,371	87,445	

FINANCE & MANAGEMENT - BUDGET SETTING 2022/23

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

Health & Safety	57,016	48,073	8,944	Increased prof fees £11k; increased HRA recharge £2k
Admin Offices & Depot	660,702	632,236	28,466	Increased staff costs £25k, utilities £17, insurance £3k; reduced depreciation £16k
Protective Clothing	29,809	37,819	-8,010	Reduced requirement
Procurement	12,349	12,149	200	
CENTRAL SUPPORT SERVICES	4,178,558	4,086,049	92,509	
Democratic Representation & Management	85,361	85,473	-112	
Corporate Management	65,951	64,458	1,493	Subscriptions £1k
Corporate Finance Management	37,969	37,437	531	Increased prof fees £1k
Elected Members	354,789	347,401	7,388	Increased allowances £13k; increased HRA recharge £4k, reduced training £2k
CORPORATE & DEMOCRATIC COSTS	544,070	534,770	9,300	
Registration of Electors	44,271	56,531	-12,261	Canvas reform
Conducting Elections	178,432	171,893	6,539	Increased staff costs £2k, tools £5k
ELECTIONS & REGISTRATION	222,703	228,425	-5,721	
Funded Pension Schemes	280,298	280,072	226	
Increase/Decrease in Provision for Bad or Doubtful Debts	175,000	175,000	0	
Planning Agreements	0	0	0	
Parish Councils	426,407	425,801	606	Increased insurance
Interest & Investment Income (GF)	-136,229	-147,585	11,356	Reduced investment income
External Interest Payable (GF)	500	500	0	
PARISHES, INTEREST, S106 RECEIPTS & PROVISIONS	745,976	733,788	12,188	
Estate Management	-248,364	-245,318	-3,046	Increased training £6k, NNDR £8k, reduced HRA recharge £4k; reduced staff costs £22k
ESTATE MANAGEMENT	-248,364	-245,318	-3,046	
Council Tax Collection	118,286	116,327	1,958	Increase staff costs £1k, advertising £1k
Non Domestic Rates Collection	-87,500	-84,500	-3,000	Prof fees (now in-house)
Revenues & Benefits Support & Management	343,977	136,633	207,344	Increased staff costs £5k, income budget trf to HB Admin £200k, reduced reserve drawdown £12k; reduced software costs £10k
Rent Allowances Paid	37,005	53,047	-16,042	Reduced benefit claims reduced costs

Net cost of Rent Rebates Paid	80,882	81,999	-1,118	Reduced benefit claims reduced costs
Corporate Fraud	48,150	45,474	2,676	Reduced reserve drawdown
Housing Benefits Administration	149,691	327,285	-177,593	Increased staff costs £1k, prof fees £2k, reduced income for admin subsidy £20k; income trf £200k
Concessionary Fares	-9,600	0	-9,600	Derbyshire County Council
REVENUES & BENEFITS	680,891	676,265	4,626	
	6,123,834	6,013,978	109,856	

GENERAL FUND MEDIUM TERM FINANCIAL PLAN

BUDGET & PROJECTION as at FEBRUARY 2022

	Budget £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27
BASE BUDGET						
Environmental & Development	6,227,089	6,127,447	6,459,707	6,648,845	6,841,902	7,042,482
Housing & Community	2,650,462	2,765,816	2,871,210	2,924,361	2,978,079	3,048,401
Finance & Management	6,038,722	6,167,461	6,307,621	6,475,909	6,645,992	6,818,113
Net Service Expenditure	14,916,273	15,060,724	15,638,538	16,049,115	16,465,973	16,908,996
Accounting Adjustments						
Reverse out Depreciation	-1,435,413	-1,268,382	-1,268,382	-1,268,382	-1,268,382	-1,268,382
Minimum Revenue Provision (MRP)	181,932	174,654	167,668	160,962	154,523	148,342
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	75,891	20,556	20,556	1,639	0	0
	13,738,682	13,987,551	14,558,379	14,943,334	15,352,114	15,788,956
Add: Known Variations						
Vehicle Maintenance Plan (Tyres and Spare Parts)	0	0	25,000	30,000	40,000	55,000
Operational Services - Allocated Growth Excluded From Base Budget	243,274	146,652	382,329	160,367	164,376	168,486
Growth Provision Drawdown	0	0	-172,294	0	0	0
Land Charges Service Review Provision	100,000	100,000	0	0	0	0
Public Sector Audit Appointments - Additional External Audit Fees	20,000	20,000	20,000	20,000	20,000	20,000
Drakelow Concurrent Functions	0	2,185	2,229	2,273	2,319	2,365
Operating Licence Inspection Pit	60,000	0	0	0	0	0
Income Loss - Forestry England Reported January 2022	14,000	0	0	0	0	0
Licensing Posts Regrade - approved July 2021	2,445	0	0	0	0	0
PCI Compliance Reported January 2021	17,235	0	0	0	0	0
Parish Concurrent Functions and Grants to Voluntary Bodies	13,488	10,452	10,661	10,874	11,092	11,313
Driver and Mechanic Incentive Payment	33,350	33,350	0	0	0	0
Route Optimisation Potential Project Delay	0	43,235	0	0	0	0
Local Plan Review	15,000	15,000	0	0	0	0
Potential Pay Award	151,173	156,385	160,295	164,302	168,410	172,620
Incremental Salary Increases	0	0	18,425	6,671	2,253	0
Investment Income	0	0	51,000	68,040	70,000	70,000
Administration of Childcare Vouchers	1,750	1,750	1,750	1,750	1,750	1,750
Potential Cost of New Waste Disposal Site	0	47,560	49,938	52,435	55,057	57,809
Potential Loss of Industrial Unit Income	0	0	196,500	196,500	196,500	196,500
Pension Earmarked Reserve Drawdown	-41,122	-43,589	-6,783	0	0	0
District Election May 2023	0	0	125,000	0	0	0
TOTAL ESTIMATED SPENDING	14,369,275	14,520,532	15,422,429	15,656,546	16,083,869	16,544,799

GENERAL FUND MEDIUM TERM FINANCIAL PLAN

BUDGET & PROJECTION as at FEBRUARY 2022

	Proposed Budget £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27
Provisions						
Provision for Employer's NIC on "off-payroll" payments	10,000	10,000	10,000	10,000	10,000	10,000
Contingent Sum - Growth	32,630	160,000	105,000	143,254	143,144	113,144
New Parishes - Concurrent Functions	0	0	2,500	5,000	10,000	15,000
Waste and Recycling	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL PROJECTED SPENDING	14,461,905	14,740,532	15,589,929	15,864,800	16,297,013	16,732,943
FINANCING						
Business Rates Retention	-3,779,996	-3,795,025	-3,795,025	-3,795,025	-3,795,025	-3,795,025
Services Grant Allocation	0	-173,984	0	0	0	0
Lower Tier Services Grant Allocation	-519,414	-291,393	-3,045,089	-2,740,580	-2,524,205	-2,524,205
New Homes Bonus	-3,381,317	-3,018,486	0	0	0	0
Council Tax Income	-5,915,215	-6,346,143	-6,619,037	-6,900,088	-7,198,224	-7,505,363
Core Spending Power	-13,595,942	-13,625,031	-13,459,151	-13,435,692	-13,517,453	-13,824,592
Add Estimated Collection Fund Surplus - Council Tax	-124,054	-204,767	-55,000	-55,000	-55,000	-55,000
TOTAL FINANCING	-13,719,996	-13,829,798	-13,514,151	-13,490,692	-13,572,453	-13,879,592
Revenue Surplus (-) / Deficit	741,909	910,734	2,075,778	2,374,108	2,724,560	2,853,351
Capital Contributions						
Melbourne Sports Park Drainage	166,020	0	0	0	0	0
IT and Digital Strategy	166,000	160,000	160,000	160,000	166,500	173,000
Purchase of Town Centre Land	44,335	0	0	0	0	0
Community Partnership Scheme	264,853	0	0	0	0	0
Rosliston Forestry Centre - Play Project	50,000	0	0	0	0	0
Asset Replacement and Renewal Fund	358,000	357,000	356,000	355,000	355,000	355,000
TOTAL CAPITAL CONTRIBUTION	1,049,208	517,000	516,000	515,000	521,500	528,000
TOTAL GENERAL FUND DEFICIT	1,791,117	1,427,734	2,591,778	2,889,108	3,246,060	3,381,351
GENERAL FUND RESERVE BALANCE						
Balance b/fwd	-13,193,524	-11,402,407	-9,974,673	-7,382,894	-4,493,786	-1,247,726

Revenue Surplus (-) / Deficit	741,909	910,734	2,075,778	2,374,108	2,724,560	2,853,351
Capital Contributions	1,049,208	517,000	516,000	515,000	521,500	528,000
Balance c/fwd	-11,402,407	-9,974,673	-7,382,894	-4,493,786	-1,247,726	2,133,625

Appendix 5

The Council is recommended to resolve as follows:

1. It be noted that on 13 January 2022, the Full Council calculated the Council Tax Base 2022/23:
 - (a) For the whole area as 36,702 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended by the Localism Act 2011).
 - (b) For dwellings in those parts of its area to which a Parish Precept relates as 25,144.
2. Calculate that the Council Tax £6,346,143.
3. That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 and 36 of the Localism Act 2011:
 - (a) £45,657,083

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £38,332,944

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - (c) £7,332,707

Being the amount by which the aggregate of 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £199.79

Being the amount at 3(c) above (Item R) all divided by Item T (1a above) calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
 - (e) £986,564

Being the aggregate amount of all Parish Precepts referred to in Section 34 (1) of the Act.

(f) £172.91

Being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1a above) calculated by the Council in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.

4. To note that Parish Councils have issued precepts to the Council in accordance with Section 41 of Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule A**.
5. To note that the County Council, the Police and Crime Commissioner and the Fire and Rescue Service for Derbyshire, have issued Precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule B**.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in **Schedule C**, as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings, this being the aggregate of Schedules A and B.
7. That in accordance with Section 52 (ZB) of the Local Government Finance Act 1992, the Council determines that the amount of council tax shown at 3 (f) of £172.91 **is not** excessive compared to 2021/22 and therefore there is no requirement for a local referendum.

ANALYSIS OF PARISH PRECEPTS, TAX BASE AND BAND D RATES

Parish	Precept 2021/22 £	Precept 2022/23 £	Tax Base 2021/22	Tax Base 2022/23	Band D 2021/22 £	Band D 2022/23 £	LCTR Grant 2021/22 £	LCTR Grant 2022/23 £
Aston-on-Trent	34,749	35,090	720	732	48.26	47.94	1,317	1,317
Barrow-on-Trent	11,551	11,907	239	243	48.33	49.00	452	452
Bretby	3,658	4,024	414	414	8.84	9.72	73	73
Burnaston	8,945	9,124	691	688	12.95	13.26	148	148
Castle Gresley	25,309	25,309	626	632	40.43	40.05	2,876	2,876
Church Broughton	7,650	13,000	242	255	31.61	50.98	151	151
Coton-in-the-Elms	7,116	7,427	275	287	25.88	25.88	989	989
Dalbury Lees	1,600	1,600	132	136	12.12	11.76	102	102
Drakelow	0	4,700	0	318	0.00	14.78	0	0
Egginton	11,783	12,019	256	255	46.03	47.13	199	199
Elvaston	40,950	42,588	1,131	1,197	36.21	35.58	210	210
Etwall	56,753	58,298	1,179	1,190	48.14	48.99	2,751	2,751
Findern	41,371	45,947	1,366	1,504	30.29	30.55	1,135	1,135
Foston & Scropton	8,568	8,568	244	252	35.11	34.00	433	433
Hartshorne	8,350	8,517	1,091	1,162	7.65	7.33	1,783	1,783
Hatton	58,742	59,917	877	917	66.98	65.34	2,100	2,100
Hilton	172,900	172,900	2,792	2,891	61.93	59.81	5,484	5,484
Linton	44,407	46,250	752	779	59.05	59.37	3,325	3,325
Melbourne	82,100	95,000	1,994	2,020	41.17	47.03	2,568	2,568
Netherseal	10,700	10,900	337	336	31.75	32.44	1,141	1,141
Newton Solney	6,000	12,000	361	386	16.62	31.09	171	171
Overseal	33,000	36,142	884	940	37.33	38.45	2,801	2,801
Repton	42,272	48,000	1,171	1,222	36.10	39.28	693	693
Rosliston	11,000	11,500	302	306	36.42	37.58	378	378
Shardlow & Great Wilne	21,335	21,336	424	427	50.32	49.97	1,399	1,399
Smisby	5,474	5,802	124	123	44.14	47.17	164	164
Stenson	32,000	28,000	1,489	1,499	21.49	18.68	736	736
Ticknall	13,500	13,500	305	302	44.26	44.70	822	822
Walton-on-Trent	7,378	7,985	310	307	23.80	26.01	607	607
Weston-on-Trent	13,500	16,000	615	658	21.95	24.32	535	535
Willington	45,740	50,865	1,025	1,031	44.62	49.34	4,392	4,392
Woodville	61,126	62,349	1,651	1,735	37.02	35.94	3,692	3,692
TOTAL PRECEPTS / AVERAGE BAND D	929,527	986,564	24,019	25,144	35.70	36.67	43,627	43,627

SCHEDULE A - DISTRICT COUNCIL TAX 2022/23

Valuation Band and Proportion to Band D

<u>Part of Council's area:</u>	A	B	C	D	E	F	G	H
<u>Parish of</u>	6/9	7/9	8/9	1.00	11/9	13/9	15/9	18/9
	£:p	£:p	£:p	£:p	£:p	£:p	£:p	£:p

Aston-on-Trent	147.23	171.77	196.31	220.85	269.93	319.01	368.08	441.70
Barrow-on-Trent	147.94	172.60	197.25	221.91	271.22	320.54	369.85	443.82
Bretby	121.75	142.05	162.34	182.63	223.21	263.80	304.38	365.26
Burnaston	124.11	144.80	165.48	186.17	227.54	268.91	310.28	372.34
Castle Gresley	141.97	165.64	189.30	212.96	260.28	307.61	354.93	425.92
Church Broughton	149.26	174.14	199.01	223.89	273.64	323.40	373.15	447.78
Coton-in-the-Elms	132.53	154.61	176.70	198.79	242.97	287.14	331.32	397.58
Dalbury Lees	123.11	143.63	164.15	184.67	225.71	266.75	307.78	369.34
Drakelow	125.13	145.98	166.84	187.69	229.40	271.11	312.82	375.38
Egginton	146.69	171.14	195.59	220.04	268.94	317.84	366.73	440.08
Elvaston	138.99	162.16	185.32	208.49	254.82	301.15	347.48	416.98
Etwall	147.93	172.59	197.24	221.90	271.21	320.52	369.83	443.80
Findern	135.64	158.25	180.85	203.46	248.67	293.89	339.10	406.92
Foston & Scropton	137.94	160.93	183.92	206.91	252.89	298.87	344.85	413.82
Hartshorne	120.16	140.19	160.21	180.24	220.29	260.35	300.40	360.48
Hatton	158.83	185.31	211.78	238.25	291.19	344.14	397.08	476.50
Hilton	155.15	181.00	206.86	232.72	284.44	336.15	387.87	465.44
Linton	154.85	180.66	206.47	232.28	283.90	335.52	387.13	464.56
Melbourne	146.63	171.06	195.50	219.94	268.82	317.69	366.57	439.88
Netherseal	136.90	159.72	182.53	205.35	250.98	296.62	342.25	410.70
Newton Solney	136.00	158.67	181.33	204.00	249.33	294.67	340.00	408.00
Overseal	140.91	164.39	187.88	211.36	258.33	305.30	352.27	422.72
Repton	141.46	165.04	188.61	212.19	259.34	306.50	353.65	424.38
Rosliston	140.33	163.71	187.10	210.49	257.27	304.04	350.82	420.98
Shardlow & Great Wilne	148.59	173.35	198.12	222.88	272.41	321.94	371.47	445.76

Smisby	146.72	171.17	195.63	220.08	268.99	317.89	366.80	440.16
Stenson	127.73	149.01	170.30	191.59	234.17	276.74	319.32	383.18
Ticknall	145.07	169.25	193.43	217.61	265.97	314.33	362.68	435.22
Walton-on-Trent	132.61	154.72	176.82	198.92	243.12	287.33	331.53	397.84
Weston-on-Trent	131.49	153.40	175.32	197.23	241.06	284.89	328.72	394.46
Willington	148.17	172.86	197.56	222.25	271.64	321.03	370.42	444.50
Woodville	139.23	162.44	185.64	208.85	255.26	301.67	348.08	417.70
All other parts of the Council's area	115.27	134.49	153.70	172.91	211.33	249.76	288.18	345.82

SCHEDULE B - MAJOR PRECEPTING AUTHORITIES COUNCIL TAX 2022/23

Precepting Authority	<u>Valuation Band and Proportion to Band D</u>							
	A	B	C	D	E	F	G	H
	6/9 £:p	7/9 £:p	8/9 £:p	1.00 £:p	11/9 £:p	13/9 £:p	15/9 £:p	18/9 £:p
Derbyshire County Council	949.71	1,107.99	1,266.28	1,424.56	1,741.13	2,057.70	2,374.27	2,849.12
Police and Crime Commissioner for Derbyshire	167.73	195.69	223.64	251.60	307.51	363.42	419.33	503.20
Derbyshire Fire and Rescue Service	53.89	62.88	71.86	80.84	98.80	116.77	134.73	161.68

SCHEDULE C - AGGREGATED COUNCIL TAX FOR SOUTH DERYSHIRE 2022/23

Part of Council's area: <u>Parish of</u>	<u>Valuation Band and Proportion to Band D</u>							
	A	B	C	D	E	F	G	H
	£:p	£:p	£:p	£:p	£:p	£:p	£:p	£:p
Aston - on - Trent	1,318.57	1,538.33	1,758.09	1,977.85	2,417.37	2,856.89	3,296.42	3,955.70
Barrow - on - Trent	1,319.27	1,539.15	1,759.03	1,978.91	2,418.67	2,858.43	3,298.18	3,957.82
Bretby	1,293.09	1,508.60	1,724.12	1,939.63	2,370.66	2,801.69	3,232.72	3,879.26
Burnaston	1,295.45	1,511.35	1,727.26	1,943.17	2,374.99	2,806.80	3,238.62	3,886.34
Castle Gresley	1,313.31	1,532.19	1,751.08	1,969.96	2,407.73	2,845.50	3,283.27	3,939.92
Church Broughton	1,320.59	1,540.69	1,760.79	1,980.89	2,421.09	2,861.29	3,301.48	3,961.78
Coton - in - the - Elms	1,303.86	1,521.17	1,738.48	1,955.79	2,390.41	2,825.03	3,259.65	3,911.58
Dalbury Lees	1,294.45	1,510.19	1,725.93	1,941.67	2,373.15	2,804.63	3,236.12	3,883.34
Drakelow	1,296.46	1,512.54	1,728.61	1,944.69	2,376.84	2,809.00	3,241.15	3,889.38
Egginton	1,318.03	1,537.70	1,757.37	1,977.04	2,416.38	2,855.72	3,295.07	3,954.08
Elvaston	1,310.33	1,528.71	1,747.10	1,965.49	2,402.27	2,839.04	3,275.82	3,930.98
Etwall	1,319.27	1,539.14	1,759.02	1,978.90	2,418.66	2,858.41	3,298.17	3,957.80
Findern	1,306.97	1,524.80	1,742.63	1,960.46	2,396.12	2,831.78	3,267.43	3,920.92
Foston and Scropton	1,309.27	1,527.49	1,745.70	1,963.91	2,400.33	2,836.76	3,273.18	3,927.82
Hartshorne	1,291.49	1,506.74	1,721.99	1,937.24	2,367.74	2,798.24	3,228.73	3,874.48
Hatton	1,330.17	1,551.86	1,773.56	1,995.25	2,438.64	2,882.03	3,325.42	3,990.50
Hilton	1,326.48	1,547.56	1,768.64	1,989.72	2,431.88	2,874.04	3,316.20	3,979.44
Linton	1,326.19	1,547.22	1,768.25	1,989.28	2,431.34	2,873.40	3,315.47	3,978.56
Melbourne	1,317.96	1,537.62	1,757.28	1,976.94	2,416.26	2,855.58	3,294.90	3,953.88
Netherseal	1,308.23	1,526.27	1,744.31	1,962.35	2,398.43	2,834.51	3,270.58	3,924.70
Newton Solney	1,307.33	1,525.22	1,743.11	1,961.00	2,396.78	2,832.56	3,268.33	3,922.00
Overseal	1,312.24	1,530.95	1,749.65	1,968.36	2,405.77	2,843.19	3,280.60	3,936.72

Repton	1,312.79	1,531.59	1,750.39	1,969.19	2,406.79	2,844.39	3,281.98	3,938.38
Rosliston	1,311.66	1,530.27	1,748.88	1,967.49	2,404.71	2,841.93	3,279.15	3,934.98
Shardlow and Great Wilne	1,319.92	1,539.91	1,759.89	1,979.88	2,419.85	2,859.83	3,299.80	3,959.76
Smisby	1,318.05	1,537.73	1,757.40	1,977.08	2,416.43	2,855.78	3,295.13	3,954.16
Stenson Fields	1,299.06	1,515.57	1,732.08	1,948.59	2,381.61	2,814.63	3,247.65	3,897.18
Ticknall	1,316.41	1,535.81	1,755.21	1,974.61	2,413.41	2,852.21	3,291.02	3,949.22
Walton - on - Trent	1,303.95	1,521.27	1,738.60	1,955.92	2,390.57	2,825.22	3,259.87	3,911.84
Weston - on - Trent	1,302.82	1,519.96	1,737.09	1,954.23	2,388.50	2,822.78	3,257.05	3,908.46
Willington	1,319.50	1,539.42	1,759.33	1,979.25	2,419.08	2,858.92	3,298.75	3,958.50
Woodville	1,310.57	1,528.99	1,747.42	1,965.85	2,402.71	2,839.56	3,276.42	3,931.70
All other parts of the Council's area	1,286.61	1,501.04	1,715.48	1,929.91	2,358.78	2,787.65	3,216.52	3,859.82

SOUTH DERBYSHIRE COMMUNITY MEETING

ETWALL – AREA 1

Meeting minutes – Tuesday, December 14, 2021

Microsoft Teams

PRESENT: -

South Derbyshire District Council representatives

Councillor Lisa Brown (Chair), Councillor Gillian Lemmon, Councillor David Muller

Kevin Stackhouse – Strategic Director, Corporate Resources
Eugene Minogue – Head of Cultural and Community Services
Claire Rawlins – Anti-social Behaviour Officer
Debbie Punter – Communities Team Service Assistant (Taking notes)

Derbyshire County Council representatives

Councillor Julie Patten

Derbyshire Police representatives

Section Inspector Mike Sisman
PCSO Finbar Greville
PCSO David Marley

Parish Council/ Meeting representatives

Councillor Sally Price (**Burnaston Parish Council**), Councillor Phil Coultas (**Dalbury Lees Parish Council**), Councillor Sir Henry Every, Councillor Miles Nesbitt (**Egginton Parish Council**), Councillor Anne De Celliee Muller (**Etwall Parish Council**), Councillor Sandra Stanton (**Hilton Parish Council**)

Bethany Odell – South Derbyshire CVS (SDCVS)

Members of the public

Nigel Minton, Carole Twells

1. Open meeting

a) Introductions and housekeeping

b) Apologies

Councillor Norman Ireland (Etwall Parish Council), Councillor Andy Roberts



c) Declarations of interest

None declared.

d) Chair's announcementsFestive events in Swadlincote

The Festive Season has officially begun in Swadlincote Town Centre, with the launch of the Snowman and Snow dog sculpture trail at the weekend.

The trail of specially designed sculptures, inspired by The Snowman and The Snow dog animated films, are located throughout the town centre.

For more information on the Christmas activities visit www.southderbyshire.gov.uk

Refuse and Recycling

The refuse and recycling collection calendars are being delivered over the two weeks commencing 13 November, all households should have received a calendar by the 28 November.

The Council will be running a campaign leading up to Christmas, in conjunction with Podback, to further promote the recycling of coffee pods.

Councillor Lisa Brown paid tribute to Adrian Lowery, Head of Operational Services who sadly passed away on Friday, December 3, 2021 and our sincere sympathy goes out to all of Adrian's family, friends and work colleagues.

e) To receive the minutes of the last meeting

The minutes were approved as a true and correct record of the meeting.

f) Matters arising from the last minutes

None.

2. Police Safer Neighbourhood Team (SNT) report and police Q&A

Due to internet connectivity issues Debbie Punter provided the following update on behalf of Police Community Support Officer (PCSO) David Marley and PCSO Finbar Greville: -

Since the last meeting the team have been very busy.

Here is a snapshot of some good news updates & results achieved since the last meeting. If you don't already, please consider following the team to keep up to date with what they are doing on: -

Facebook - Etwall, Hatton Hilton SNT.



Twitter - SouthderbysNT

Derbyshire Alert - The forces 2-way messaging service. You can sign up at www.derbyshirealert.co.uk

Speed Checks & Traffic operation checks/ Vehicle offences

Speed checks completed in all areas - on going and with various results, such as vehicles seized for no insurance and tickets issued.

Community Speed Watch (CSW) scheme set up in Etwall.

Engagement/ Crime prevention events held

- Several posts added to social media relating to vulnerability & crime prevention giving advice regarding theft/ fraud/ open water safety/ personal safety and home security. We have also utilised/ referred people to the SDCVS Safer Homes scheme who visit vulnerable homeowners checking security and providing free crime prevention items.
- Bike security marking events completed at John Port School.
- Bike Security marking event held in Hilton.
- Cuppa with a Copper event held at Etwall Church.
- Cuppa with a Copper event held at Scropton Garden Centre.
- SNT Halloween event held in Hilton.
- Crime prevention and Derbyshire Alert sign-up events held throughout the area.
- Blooming Hilton event.
- Etwall Parish Council litter pick engagement.

School engagement

- John Port School - Project Zao talks arranged for w/c 13.12.21.
- Road safety talks at Etwall Primary School.
- Church Broughton talks.
- Regular visits made to all schools at drop off and pick up times, although most schools are busy in respect to parking very few offences are actually being committed. We encourage parents to park safely and enforce if needed. We Work closely with schools if any issues are raised and on preventative measures.
- Working with JPS relating to offences committed by pupils.
- Hilton Primary -talks re road safety and criminal responsibility following issues of ASB in Hilton- more planned.

Positive results in the area

- Cannabis warnings issued in Hilton, outside of Tesco.
- Youths caught graffitiing in Hilton – Restorative Justice (RJ) was used and letters of apology were written and the youths in question were made to clean off the graffiti.
- Youths caught underaged drinking in Hilton – the youths were made to collect all their rubbish up the next day.



- Local youths assisted the SNT in finding a local missing vulnerable person.
- The SNT and local residents assisted in a collapsed male on the Mease – the male has since made a full recovery.
- The SNT located a suicidal male – safeguarding was completed.
- Op Sceptre (the national week of action to tackle knife crime took place in April and November - knife sweeps were conducted and school talks given. Test purchase operations were also carried out in conjunction with trading standards - sadly three out of the seven shops checked in South Derbyshire sold knives to a 15-year-old.
- A wanted male was found in a layby on the A516 in possession of a handgun/ heroin/ knife/ money and cannabis – the male has since been jailed for nine years.
- The SNT caught a male using his phone whilst driving in Hatton. Subsequently the individual in question was ordered by the Court to pay a fine of £440, £150 costs, £44 surcharge and obtained 6 points on his licence.
- The SNT located several underage drinkers, in a ditch in Etwall in need of medical assistance. Joint emergency service work was completed to resolve and ensure that medical assistance was received. Safeguarding and ongoing work around the land has been completed together with the local council, school and youths.
- The Rural Crime Team have been conducting targeted anti-poaching patrols throughout all rural areas.
- An off-duty SNT Officer came across a road traffic collision (RTC) on the A516 on his way home and detained the aggressive drunk driver on scene. The Officer has since received a commendation for this work.
- A male on New Road, Hilton was arrested and remanded to prison for possession of an imitation firearm and cannabis following a warrant being conducted.
- A male was issued a ticket for causing alarm whilst officers were dealing with a three vehicle RTC near Hatton where he proceeded to parp his horn.
- Numerous Section 59 (S59) warnings have been issued and seizures made in relation to e-scooter offences.
- Several Community Protection Notice Warnings (CPNW's) issued in respect to anti-social behaviour and neighbour disputes.
- Local youths identified and dealt with for egg throwing.

Councillor Julie Patten requested a written update regarding a fatality incident that happened on Station Road, Hatten this morning.

Inspector Mike Sisman advised that an investigation will need to take place before any specific details can be released.

Councillor Miles Nesbitt raised awareness that on November 30, 2021 at 3:30am there were four youths in the village of Egginton trying car and garage doors. Two bikes were stolen from a garage and a car was ransacked in William Newton Close. The bikes that were stolen were stacked in two different places in the village and at 9:30am the following morning a white van arrived in the village and a man loaded the bikes into the back of his van and drove off. Local residents are urged to be vigilant.

Councillor David Muller thanked the SNT for their comprehensive report and also their both informative and enjoyable Facebook updates.



ACTION: Debbie Punter to pass on Councillor Miles Nesbitt's email address to PCSO Finbar Greville so that he can provide a detailed response directly to Councillor Nesbitt in respect to the recent incidents in Egginton.

3. South Derbyshire Community Safety Partnership/ Safer Neighbourhood grants update

Claire Rawlins provided the following update: -

Community Safety Officer

Debbie Punter has now been appointed as the new Community Safety Officer for SDDC and will start her new role in the New Year. Debbie can be contacted by email: Debbie.Punter@southderbyshire.gov.uk or direct dial: 01283 595858.

Derbyshire Violence against Women and Girls Survey

A major new survey has been launched to identify what makes women and girls feel unsafe in Derbyshire, where their fear of crime is greatest and what would make them feel safer.

The online poll unveiled by Derbyshire Police and Crime Commissioner Angelique Foster invites women, girls, parents and guardians to share their views, anonymously and the feedback will help the Commissioner to allocate resources to improve women's safety and better understand what action is needed to reduce their vulnerability and protect their safety.

To complete the survey please visit the Derbyshire Police and Crime Commissioners web page <https://bit.ly/2XM6fiR>

People Express Passport to Music

People Express have made an excellent film of the first year of their 'Passport to Music' project which was part funded by the Communities Team's Safer and Stronger Neighbourhoods funding stream www.people-express.org.uk/passport-to-music/

The project is an inclusive music programme providing 2 years of fortnightly workshops, led by professional tutors, in different genres of music for excluded, vulnerable and 'at risk' young people. The project has worked with 15 young people in Year 1 and will aim to work with up to 10 disabled young people in Year 2.

The project is part of People Express's response to the report on social mobility through education that placed the district's young people as most at risk in England of not fulfilling their potential. Safer and Stronger Neighbourhoods funding has contributed £1,500 towards the project.



Speed Watch Cameras

The CSP has agreed to fund two new speed guns for the police to use with local South Derbyshire Community Speed Watch (CSW) groups. There are a total of 11 CSW groups in South Derbyshire, three of these are new schemes that are awaiting training before they can become operational.

People Express Passport to Music

People Express have made an excellent film of the first year of their 'Passport to Music' project which was part funded by the Communities Team's Safer and Stronger Neighbourhoods funding stream www.people-express.org.uk/passport-to-music/

The project is an inclusive music programme providing 2 years of fortnightly workshops, led by professional tutors, in different genres of music for excluded, vulnerable and 'at risk' young people. The project has worked with 15 young people in Year 1 and will aim to work with up to 10 disabled young people in Year 2.

The project is part of People Express's response to the report on social mobility through education that placed the district's young people as most at risk in England of not fulfilling their potential. Safer and Stronger Neighbourhoods funding has contributed £1,500 towards the project.

Safer Neighbourhoods and Community Funding

No project applications have come in yet this year. £4000 is still available for projects that will impact on preventing ASB and Crime or developing groups that can attract young people.

Please contact Debbie if you have any ideas for projects and we will help you with the application process, which is really simple.

4. Local community and voluntary sector projects/ update

Bethany Odell provided the following South Derbyshire CVS (SDCVS) update: -

Active Travel – This service supports people who have no transport and are unable to use public transport to take them to medical appointments - GP, Hospital, Vaccinations. The service is still limited as we do not have too many drivers active and we are being careful about the number of passenger journeys drivers undertake per day. We are only doing Hospital and GP appointments at the moment as we have to prioritise the journeys for health appointments. Drivers and Service Users are expected to still wear masks, socially distance and use hand sanitiser to keep everybody safe. We will not transport anyone with any symptoms of Covid 19 and our drivers will not drive if they have any symptoms. Referrals and enquiries 01283 219761 projectsupport@sd cvs.org.uk

Befriending – Since March 2020 our Befriending Service has been carried out through telephone calls. We are beginning to talk to volunteers and service users who want to resume face to face visits. This is quite a process as we have to check that this is safe



for both parties and complete new risk assessments. Some volunteers, who started volunteering in the last year telephone befriending, also need to go through extra checks and training before being able to start face to face visits. This takes time and we again need to do this before permitting people to start visiting in person. Please bear with us while we do this. Referrals and enquiries 01283 219761 connect@sdcv.org.uk

Handy Person Help at Home Support Service – New service! See SDCVS website for more information. Referrals and enquiries 01283 219761 handysupport@sdcv.org.uk

Home From Hospital – has been continuing to support people throughout the pandemic. We have been helping people with shopping and prescription/ medication collection doing doorstep deliveries and these are continuing too. In addition, Rachel Stilwell our Service Coordinator has been supporting people with other things that help to keep them home from hospital. We are beginning to plan to introduce home visits again but we will be doing so with caution and with procedures in place to keep everyone involved safe. Referrals and enquiries 01283 817417 home@dhfh.org.uk

Safer Homes – Home Visits from our Safer Homes Operative were suspended when the pandemic started. This service has been open again since April and visits were resumed to ensure people's homes are safe and secure and advise them on measures to improve security and to install locks etc to help this. Our operative wears PPE maintains social distance and follows safety measures and cleaning procedures before, during and after his visits. Referrals to this service are often from Police and professionals although self-referral is possible. We deliver Safer Homes in South Derbyshire District Council area and Erewash. Referrals and enquiries 01283 219761 projectsupport@sdcv.org.uk

Befriending Groups, Lunch clubs and Shopmobility – remain suspended. We will update you as and when we have more news on this.

Food Bank – Our Food Bank is now operating from Hill St Baptist Church in Swadlincote and collection of food parcels is by appointment only on Monday, Tuesday and Thursday from 8am - 3:30pm. Please telephone 07458 305314 (**please note this number is for food bank enquiries only**) or email projectsupport@sdcv.org.uk to arrange an appointment. If emailing, please include your telephone number with your message so we can get back to you as soon as possible.

The service provides free emergency food parcels to families and individuals in the South Derbyshire area. We also have a fridge and freezer so are also able to support service users with fresh food donated by local businesses.

Anyone who needs emergency food can access the service. On the first occasion that you need a parcel, you can refer yourself to the service. For each food parcel after that, you will need to provide a referral form before you will be given a parcel.



Food Bank Winter Campaign – helping to tackle food poverty in South Derbyshire over Christmas. Our food bank is seeking food donations such as meats, cheeses and festive treats. Any donations can be dropped off at Hill Street Baptist Church up to **22 December** on a Monday, Tuesday or Thursday between 8am – 3.30pm. We are also asking for financial donations to help the Food Bank continue this valuable service in 2022.

For further information either email finance@sd cvs.org.uk or phone 01283 219761. For the next three weekends Mid Mercia Marina are organising a Free Santa's Grotto and asking for donations to support our Food Bank.

Covid Connectors Project – to set up a Covid Connectors Network throughout South Derbyshire – to empower residents and workforces in South Derbyshire with the information they need to lead the way in the community by giving consistent, timely and accurate information around Covid-19. Since Jan 21 the team have been working with 30 Covid Connectors. Through these networks, Covid related information has been shared with the Connectors who then disseminate the information to their local communities. For more information – Selinaw@sd cvs.org.uk

Connected South Derbyshire – a new project to connect citizens of South Derbyshire to their local communities and to end loneliness. To empower, enable and encourage citizens of South Derbyshire to connect, engage and socialise with the volunteers, groups and organisations providing social connection in their communities. For further information – Bethanyo@sd cvs.org.uk

Community Development Team – the team support local communities, not-for-profit groups and volunteers in South Derbyshire. Our aim is to provide support, information and advice to volunteer trustees, voluntary and community groups, registered charities and social enterprises. For new groups we help them to develop a constitution, a management committee and support with implementing policies/procedures. We also help groups to access funding pots and help them with their funding applications.

Volunteer Force – supports local communities, not-for-profit groups and volunteers in South Derbyshire. The Volunteer Force helps to develop and promote volunteering in South Derbyshire with particular reference to the advertising, recruiting, training and referring potential volunteers and providing recruitment support to voluntary and community groups and social enterprises. For more information – Volunteer@sd cvs.org.uk

Communications – Our website: www.sd cvs.org.uk holds information about our services as well as news, CVS events and how to contact us.

We send out regular e-bulletins, containing internal and external news, events, training, job vacancies and funding, relevant to anyone involved in the local voluntary and community sector. You can sign up to receive these communications via the homepage of our website, as above, and if you would like anything advertised, please email communications@sd cvs.org.uk

We are active on Facebook and Twitter - search for South Derbyshire CVS to find us.



Our Volunteer Force has its own Facebook and Twitter pages and through these we advertise local volunteering opportunities. Search for South Derbyshire Volunteer Force or @SDVolForce to find us. We are also developing a new Volunteer Force website; www.volunteersouthderbyshire.org

To advertise volunteer opportunities with us please email volunteer@sdcvts.org.uk

5. Local authority update and public Q&A

Kevin Stackhouse provided the following update: -

Housing update

The Council is upgrading the system that provides the platform for managing the Housing Waiting List, advertising and allocating vacant council properties.

The South Derbyshire Homefinder (Abitas) system will no longer be available after the 6 December although we will be able to allocate properties that have already been advertised.

On the 7 December the new Jigsaw system will be available for new applications and re-registration, support will be provided by Housing staff. Applicants must have access to an email address and an added feature with the new system is that it will incorporate a new Homelessness system.

Council tax reduction scheme

South Derbyshire District Council is asking residents to comment on proposed changes to its Council Tax Reduction Scheme for working age residents.

South Derbyshire District Council's Council Tax Reduction Scheme supports working age residents who are on a low income by reducing the amount of council tax they have to pay in line with their income.

The council tax support scheme for those of pension age is a national scheme and is not affected by these proposals.

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

Information on the potential models and an online survey where people can give their views can be found at www.southderbyshire.gov.uk/ctrschanges.

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

Face-to-face services at South Derbyshire District Council civic offices

South Derbyshire District Council is set to launch a new customer services access point at its Civic Offices in Swadlincote this winter.



The aim of the customer service access point is to support customers who need drop-in face-to-face support. The Council will also be able to serve customers who are applying for a Derbyshire Gold Card and need help with a photograph. Customers with more complex enquires will be offered appointments in the Council's Kiosk Room. The new access point is being launched as part of a six-month trial to determine the best way forward for face-to-face support for our customers. A paper and online survey will be launched soon to gather customers views on how well they are being served. This will be published at www.southderbyshire.gov.uk

We would be grateful if all residents could take part in this consultation, so we can determine the best long-term solution for residents and the council. Thank you.

Councillor Julie Patten asked whether SDDC have increased the capacity for people answering the phones since the Council Offices have been closed to the public.

Kevin Stackhouse confirmed that it is true that SDDC have had more call waits since the offices have been closed to the public. In response to this the Council are looking to introduce a facility so that callers are advised what the current waiting time is, allowing the caller to decide whether they wish to stay on the line or call back at another time. In the meantime, contact centre staff are trying their utmost to get through the number of calls received as quickly and efficiently as possible.

Councillor Peter Smith asked whether an update could be provided in respect to the recent outbreaks of Avian Flu.

Kevin Stackhouse responded to say that he would take the question back to Matt Holford, Head of Environmental Services and provide a response back to Councillor Smith directly.

ACTION: Kevin Stackhouse to refer the request for an update regarding Avian Flu to Matt Holford, Head of Environmental Services in order to provide a response back directly to Councillor Smith. Debbie Punter to also include a copy of the update in the report back document.

6. Summary of agreed actions

Action	Person responsible
Debbie Punter to pass on Councillor Miles Nesbitt's email address to PCSO Finbar Greville so that he can provide a detailed response in respect to the recent incident in Egginton.	Debbie Punter/ PCSO Finbar Greville
Kevin Stackhouse to refer the request for an update regarding Avian Flu to Matt Holford, Head of Environmental Services in order to provide a response back directly to Councillor Smith. Debbie Punter to also include a copy of the update in the report back document.	Kevin Stackhouse/ Debbie Punter



7. Close and date of next meeting

TBC (Feb/ Mar 2022)

Councillor Lisa Brown
CHAIR

The meeting terminated at 6:50pm



ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

12th January 2022

PRESENT:-

Representatives of South Derbyshire District Council

Labour Group

Councillor D Shepherd (Chair)

Conservative Group

Councillor D Muller

Independent Group

Councillor D Angliss (joined the meeting at 5.24pm)

Officers

K Stackhouse Strategic Director (Corporate Resources)

A Thomas Strategic Director (Service Delivery)

E Minogue – Head of Cultural and Community Services

Representatives of John Port Spencer Academy

Governing Body

Mrs M Walker-Endsor - School Governor

Representatives of Active Nation

Terry Simms

EL/07 **APOLOGIES**

The Committee was informed that apologies were received from D Parker (Vice Chair).

EL/08 **MINUTES**

The Open Minutes of the Meeting held on 22nd September 2021 were noted and approved as a true record and signed by the Chair.

EL/09 **DECLARATIONS OF INTEREST**

The Committee was informed that declarations of interest had been received from Councillor Shepherd and Councillor Muller in reference to Item EL/05 by virtue of being Members of the Planning Committee.

EL/10 **INCOME & EXPENDITURE 2021/22 AND PROPOSED BASE BUDGET 2022/23**

The Strategic Director (Corporate Resources) presented the report advising the Committee of the transactions that went through the account and that the Joint Management Committee had responsibility for general repairs, maintenance, and utility costs. It was noted that a credit had been received for utilities that included a recalculation for a previous year. The Committee was advised that for 2022/23

the normal base budget was recommended with a utility cost contingency of £10,000.

RESOLVED: -

That the income and expenditure 2021/22 and the proposed base budget 2022/23 were approved

EL/11 **ETWALL LEISURE CENTRE – S106 FUNDING**

The Head of Cultural and Community Services presented the report informing the Committee of plans for the site including any down time for the squash courts and the toilet project.

Members sought confirmation that the project would take place.

The Head of Cultural and Community Services confirmed that the project would take place and that the funding needed to be committed and drawn down.

Councillor Muller was relieved that the expiry date of the project had not passed and that funding would not have to be returned to the Developers.

RESOLVED:-

That the Etwall Leisure Centre S106 Funding was approved

EL/12 **ACTIVE NATION PERFORMANCE REPORT**

The Active Nation Representative presented the report informing the Committee of the increased usage of facilities and a good growth in activities. The site was working at 100 percent capacity and was working with Parish Trusts to let out other sports facilities.

The Committee was advised that the new covid virus strain had presented some challenges and that there had been uncertainty around what restrictions would be imposed which had seen a decline in numbers during December but that take up in January had increased. and the adoption of safe practices on site continued.

The Committee was informed about the launch of an on-demand service which allowed members to join activities virtually in their home and that both swimming and outdoor activities had increased to 70% of the pre-Covid activities.

It was noted that challenges exist regarding the operation of safe facilities along with the recruitment of lifeguards and the instability of staffing levels due to covid. The Committee was advised of the appointments of a new Swimming Coordinator, a Maintenance Officer and two Deputy Managers.

The Chair was impressed with the launch of the on-demand service and thanked the representative for a very positive report and raised a query regarding in house training for lifeguards and how the centre recruited their staff.

The Active Nation representative advised the Committee that they were working with Pingle School to encourage students to enrol in lifeguard training and that they used Indeed for their recruitment and were also working with John Port School to recruit students.

RESOLVED:-

That the Active National Performance Report was received and noted.

EL/13 **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.

The meeting terminated at 17.37 hrs

D SHEPHERD

CHAIR