

Please ask for Democratic Services
Phone (01283) 595722 / 595848
Typetalk 18001
DX 23912 Swadlincote
democraticservices@south-derbys.gov.uk

Our Ref: DS
Your Ref:

6th March 2019

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 14 March 2019 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Conservative Group**

Councillor Harrison (Chairman), Councillor Watson (Vice-Chairman) and Councillors Billings, Mrs Coe, Dr Coyle, Ford, Hewlett, MacPherson and Smith

Labour Group

Councillors Rhind, Richards, Southerd and Taylor

AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To receive the Open Minutes of the following Meetings:

Finance and Management Committee 10th January 2019 Open Minutes **4 - 9**

Audit Sub-Committee 19th September 2018 Open Minutes **10 - 12**

Audit Sub-Committee 12th December 2018 Open Minutes **13 - 16**
- 3** To note any declarations of interest arising from any items on the Agenda
- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 6** Reports of Overview and Scrutiny Committee
- 7** CORPORATE PLAN 2016-21 PERFORMANCE REPORT **17 - 35**
- 8** BUDGET and FINANCIAL MONITORING 2018-19 **36 - 52**
- 9** TREASURY MANAGEMENT UPDATE 2018-19 **53 - 65**
- 10** MIDWAY COMMUNITY CENTRE-BUDGET AND FORWARD PLANS **66 - 70**
- 11** HEALTH AND WELLBEING INITIATIVES **71 - 76**
- 12** COMMITTEE WORK PROGRAMME **77 - 83**

Exclusion of the Public and Press:

- 13** 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.
- 14** To receive the Exempt Minutes of the following Meeting:
Finance and Management Committee 10th January 2019 Exempt Minutes
- 15** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 16** SUNDRY DEBTOR WRITE OFFS
- 17** WRITE OFF DEBTS FOR COUNCIL TAX AND BENEFIT
OVERPAYMENTS
- 18** LAND IN WOODVILLE
- 19** NATIONAL PAY AWARD 2019

FINANCE AND MANAGEMENT COMMITTEE (SPECIAL – BUDGET)

10th January 2019

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Watson (Vice-Chairman) and Councillors Mrs Coe, Dr Coyle, Ford, Hewlett, MacPherson and Smith

Labour Group

Councillors Rhind, Richards, Southerd and Taylor

FM/113 **APOLOGIES**

Apologies were received from Councillor Billings (Conservative Group).

FM/114 **DECLARATIONS OF INTEREST**

Councillor Ford declared a personal interest in Item 8 Council Tax Discount: Care Leavers, by virtue of being a County Councillor, advising he would not participate in the debate.

Councillor Dr Coyle declared a personal interest in the grants to voluntary bodies element of Item 7 Service Base Budgets 2018/2019, by virtue of being on the board of trustees for Sharpe's Pottery Heritage & Arts Trust Ltd.

Councillor Mrs Coe declared a personal interest in the grants to voluntary bodies element of Item 7 Service Base Budgets 2018/2019, by virtue of being on the board of trustees for Sharpe's Pottery Heritage & Arts Trust Ltd.

FM/115 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

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

FM/116 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/117 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports had been received.

FM/118 SERVICE BASE BUDGETS 2019 / 2020

The Strategic Director (Corporate Resources) presented the report to Committee providing an overview of the Committee's main areas of spending and the Committee's proposed base budget for 2019/2020. The variance in expenditure from the Medium Term Financial Plan projection was explained; reasons included the requirement of computer licences, subsequent maintenance and staffing. The Strategic Director informed Members that future costs and risk associated with computer licenses were being reviewed where a move to Microsoft Office 365; a cloud-based system would potentially provide more functionality.

A proposal to an increase of 2% in contributions to Parish Councils in 2019/20 for Concurrent Functions was carried by the Committee.

RESOLVED:

- 1.1 *That the proposed revenue income and expenditure for 2019/20 as detailed in Appendix 1 for the Committee's Services are considered and included in the consolidated proposals for the General Fund.***
- 1.2 *The Committee considered and approved the proposed fees and charges as detailed in Appendix 2 for 2019/20.***
- 1.3 *The Committee considered and approved an increase of 2% in contributions to Parish Councils in 2019/20 for Concurrent Functions.***

FM/119 BUDGET REPORT 2019/20 INCORPORATING THE CONSOLIDATED BUDGET PROPOSALS AND MEDIUM TERM FINANCIAL PLAN TO 2024

The Strategic Director (Corporate Resources) presented the report to Committee, outlining the Council's overall financial position following a detailed review of current income and expenditure on the General Fund developing the financial plan and strategy approved in October 2018. The Strategic Director highlighted confirmation of the Council's financial settlement from central government for 2019/20; current spending and proposed base budget position for 2019/20 including proposed spending by Policy Committees; the proposed Council Tax Base for 2019/20 and the overall impact on the General Fund's 5-year financial projection.

Councillor Dr Coyle sought clarification on action being taken to address the projected future budget deficit. The Chairman responded that once clear direction is provided by central government in relation to the New Homes Bonus and Business Rates, further action can be taken to address deficit concerns, including the use of appropriate reserves earmarked for anticipated risks and service pressures.

The Chief Executive commented that growth in the district required investment in resources to allow this Council to not only provide an efficient service to its residents, but also be commercially smart in its delivery.

The Chairman put the recommendations in the report to the Committee individually.

RESOLVED:

- 1.1 The Committee considered the estimates of revenue income and expenditure for 2019/20 for the General Fund and approved a level of income and expenditure as detailed in the report.***
- 1.2 The Committee considered and approved an increase of 2% in grants to voluntary bodies and payments to Parish Councils under concurrent functions for 2019/20.***
- 1.3 That the Council Tax Base for 2019/20 of 33,302 (equivalent Band D) properties as detailed in Appendix 3 is approved.***
- 1.4 That an estimated Council Tax Surplus of £1,000,000 is declared on the Collection Fund for 2018/19 and the Council's proportion of £110,200 is transferred to the General Fund in 2019/20.***
- 1.5 That the rate of Council Tax for 2019/20 be deferred to the next meeting of the Committee on 14 February 2019.***
- 1.6 That the updated 5-year financial projection on the General Fund to March 2024 as detailed in Appendix 1, including associated assumptions and risks as detailed in the report, is approved.***
- 1.7 That efficiencies and budget savings continue to be pursued where opportunities arise to sustain the current financial position.***
- 1.8 That the decisions made in recommendations 1.1 to 1.7 are used as the basis for consultation with local residents, businesses, voluntary and community groups, etc. and are subject to review by the Overview and Scrutiny Committee.***

Abstentions: Councillors Mrs Coe and Dr Coyle

FM/120 **COUNCIL TAX DISCOUNT: CARE LEAVERS**

The Strategic Director (Corporate Resources) presented the report to Committee advising that Derbyshire County Council had requested that district councils in Derbyshire give consideration to an exemption from Council Tax for Derbyshire care leavers up to the age of 25, to help them move into adulthood without the added pressures of debt.

Councillor Richards sought clarification on the position of other Derbyshire authorities and implications for this authority in the event of them opting not to participate in the initiative. The Strategic Director (Corporate Resources) clarified that there had been mixed reactions, where some authorities were in the process of seeking Committee approval; some undecided and a few not minded to participate for the reason that the County Council would not be contributing the cost to district councils. Councillor Richards noted that although he was not opposed to the proposal, there was some concern in relation to its implementation.

Councillor Dr Coyle sought further clarification on the process involved in the proposed scheme. The Strategic Director (Service Delivery) advised that, if approved, a policy would need to be devised and approved which would outline the criteria for a case by case assessment.

Councillor Southerd agreed with the proposal in principle, suggesting that a decision be deferred until further information on the position of other local district councils is made available to the Committee. The Chief Executive offered to put this matter to an upcoming meeting with Chief Executives of Derbyshire authorities and to revert to the next Committee. This was accepted by the Committee.

RESOLVED:

- 1.1 The Committee deferred making a recommendation to Council, for the exercise of a discretion under Section 13A (1) C of the Local Government Act 1992 to exempt by way of a discount Derbyshire County Council Care leavers from Council Tax, to the next meeting of the Committee on 14 February 2019.***

Abstention: Councillor Ford

FM/121 **COUNCIL TAX PREMIUM ON LONG-TERM EMPTY PROPERTIES**

RESOLVED:

- 1.1 The Committee approved increasing the Council Tax Premium from 50% to 100% on properties empty for longer than 2 years but less than 5 years.***
- 1.2 The Premium of 100% is effective from 1 April 2019.***
- 1.3 That approval was given, in principle, to increasing the Council Tax Premium to 200% on properties empty for between 5 and 10 years from 1 April 2020.***
- 1.4 That approval was given, in principle, to increasing the Council Tax Premium to 300% on properties empty for over 10 years from 1 April 2021.***

1.5 That increases to 200% and 300% in future years are considered ahead of the Budget Round for 2020/21 and 2021/22 respectively.

FM/122 **MAINTENANCE STANDARDS PROJECT BRIEF**

The Strategic Director (Service Delivery) presented the report to Committee highlighting that the project would enable effective management and maintenance of the Council's land resources through geographic information system (GIS) mapping.

RESOLVED:

1.1 That the Committee endorsed the Business Case set out in Appendix A (Project Brief - Maintenance Standards Phase 1) as a valid business reason to invest in resources to capture environmental asset maintenance data.

1.2 The Committee approved £50,000 from earmarked reserves to deliver the project as set out in the Business Case.

1.3 The Committee approved a new temporary post of a GIS Project Officer on a fixed-term contract for 18 months.

FM/123 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

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

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

The Committee was informed that no questions had been received.

RESTRUCTURE OF LEGAL AND DEMOCRATIC SERVICES

The Committee approved the recommendations in the report.

The meeting terminated at 7.20pm

CHAIRMAN

AUDIT SUB-COMMITTEE

19th September 2018

PRESENT:-

Conservative Group

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

Labour Group

Councillor Dunn and Shepherd

AS/23 **APOLOGIES**

Apologies were received from and Mr S Clark and Mr J Burgess (External Auditors)

AS/24 **DECLARATIONS OF INTEREST**

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

AS/25 **MINUTES**

The Open Minutes of the Meeting held on 25th July 2018 and 30th May 2018 were taken as read, approved as a true record and signed by the Chairman.

AS/26 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

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

AS/27 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

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

MATTERS DELEGATED TO SUB-COMMITTEE

AS/28 **INTERNAL AUDIT PROGRESS REPORT**

The internal auditors presented the report to the Sub-Committee, updating that as outlined in the report, audits were progressing as planned by the end of the

first quarter where five had been completed since the last Meeting. Members were informed that the new format of the report had been accepted and subsequently adopted for future reporting. The Committee were also updated on the restructure of the Central Midland Audit Partnership to aid with the progression of audit plans.

The Chairman sought clarification on the impact of the rollout of Universal Credit. The internal auditor explained that the full details of this impact will not be known until implementation. Councillor Atkin queried the number of payments made by cheque, the Strategic Director (Corporate Resources) advised that direct debit payments were more frequently used.

Councillor Dunn sought clarification on the definition of significant risk in relation to the dry waste recycling contract and associated risks. The internal auditor explained that the information required for the procurement process to be initiated was now available. Councillor Dunn, whilst referring to the report, queried the temporary appointment to the role of Public Buildings Officer. The Strategic Director (Corporate Resources) advised that this area had been identified as part of the planned restructure and until its formal authorisation; interim recruitment arrangements had been made.

RESOLVED:-

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

AS/29 **COMMITTEE WORK PROGRAMME**

RESOLVED:-

Members considered and approved the updated work programme.

AS/30 **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.

MINUTES

The Exempt Minutes of the Meeting held on 30th May 2018 were received.

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

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

The Meeting terminated at 4:40pm.

COUNCILLOR J GRANT

CHAIRMAN

AUDIT SUB-COMMITTEE

12th December 2018

PRESENT:-

Conservative Group

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

Labour Group

Councillor Dunn and Shepherd

AS/31 **APOLOGIES**

Apologies for absence were received from Mr S Clark (External Auditor).

AS/32 **DECLARATIONS OF INTEREST**

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

AS/33 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

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

AS/34 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

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

MATTERS DELEGATED TO SUB-COMMITTEE

AS/35 **LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

The External Auditor presented the third quarterly update to the Sub-Committee, making reference to the new accounting standards relevant to the current financial year and an insight was provided to Members that meetings with Officers to implement the new standards are in progress.

Councillor Dunn queried the reference in the report to the potential implications of Brexit and how this can be assessed when there has been limited guidance provided by central government. Councillor Dunn also sought clarification on the Social Housing Green Paper, the Strategic Director (Corporate Resources) responded and advised that the matter had also been submitted to the Housing and Community Services Committee.

RESOLVED:-

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

AS/36 **INTERNAL AUDIT PROGRESS REPORT**

The internal auditors presented the report to the Sub-Committee outlining progress within the Audit Plan and outstanding recommendations. The internal auditors identified key issues, including the delay in the delivery of an audit on IT applications due to the staffing resources. The Chairman sought clarification on any cost implications and was reassured by the internal auditor that there were none for this Authority.

Councillor MacPherson sought clarification on training provision for staff in relation to the inspection of play equipment in local parks. The Strategic Director (Corporate Resources) responded that technical inspections are carried out by the Council's insurance company, the reference in the report related to the timely communication of any problems such as vandalism, broken glass and hazards to the attention of management. The Chairman requested that technical checks made by the insurers be included in future progress reports.

RESOLVED:-

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

AS/37 **LOCAL CODE OF CORPORATE GOVERNANCE REVIEW 2018/19**

The Strategic Director (Corporate Resources) presented the report.

RESOLVED:-

1.1 Members approved the review against the Council's Local Code of Corporate Governance for 2018/19 as detailed in Appendix 1 to the report

1.2 Members approved progress on the work plan to strengthen the Council's governance arrangements in 2018/19 as detailed in Appendix 2 to the report.

AS/38 RISK MANAGEMENT POLICY FRAMEWORK AND GUIDANCE

The Strategic Director (Corporate Resources) presented the report to the Sub-Committee advising that a periodic review of the framework had enabled a consistent and streamlined approach to be adopted across the Council. The Strategic Director advised that in order to embed the framework further, policy committees would be encouraged to challenge risk in reports and further training would be provided for staff

The Chairman sought clarification on who is involved in the reviewing process. The Strategic Director (Corporate Resources) responded that senior officers would initially conduct this and present it to this Sub-Committee. The Chairman noted that as well as the selected Committee Chairmen, the Member Champion for Risk Management could also be involved in this process.

RESOLVED:-

1.1 Members approved the Risk Management Policy Framework and Guidance.

1.2 Members approved the Framework and Guidance are kept under review and reported to the Committee at least annually.

AS/39 COMMITTEE WORK PROGRAMME

It was proposed that the Meeting scheduled for 13th February 2019 be cancelled as the following Meeting is scheduled 20th March 2019; this was carried by the Sub-Committee.

RESOLVED:-

Members considered and approved the updated work programme with the amendment to cancel the Meeting scheduled for 13th February 2019.

AS/40 LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**RESOLVED:-**

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

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

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

The Meeting terminated at 4.50pm

COUNCILLOR J GRANT

CHAIRMAN

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	14th MARCH 2019	CATEGORY: DELEGATED
REPORT FROM:	SENIOR LEADERSHIP TEAM	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: S/council performance/corporate plan 2016 – 2021/performance reporting 2018 19/quarter 3
SUBJECT:	CORPORATE PLAN 2016-21: PERFORMANCE REPORT (1 OCTOBER – 31 DEC 2018)	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 13

1.0 Recommendations

- 1.1 That the Committee considers progress against performance targets set out in the Corporate Plan.
- 1.2 That the Risk Register and Action Plan for the Committee's services are reviewed.
- 1.3 That the updated risk matrix as detailed in the report to record risks is approved for implementation for future reporting across all Policy Committees and Council Services.

2.0 Purpose of Report

- 2.1 To report progress against the Corporate Plan for the period 1 October to 31 December 2018 under the themes of People, Place, Progress and Outcomes.

3.0 Detail

- 3.1 The Corporate Plan 2016 – 2021 was approved following extensive consultation into South Derbyshire's needs, categorising them under four key themes: People, Place, Progress and Outcomes. The Corporate Plan is central to the Council's work – setting out the vision and values for South Derbyshire and defining priorities for delivering high-quality services.
- 3.2 This Committee is largely responsible for overseeing the delivery of successful Outcomes. These are as follows:
 - Maintain financial health
 - Achieve proper Corporate Governance
 - Maintain customer focus
 - Be aware of and plan for financial, legal and environmental risks
 - Promote and enable active democracy
 - Enhance environmental standards
 - Maintain a skilled workforce
 - Promote inclusion
- 3.3 Of the 14 measures and projects under the jurisdiction of the Finance and Management Committee, ten are showing green, one is classed as grey and three are red.

- 3.4 More information can be found in the Performance Board in **Appendix A**. A detailed breakdown of performance for Finance and Management is available in the Success Areas and Performance Action Plan documents (**Appendices B and C respectively**).

Risk Registers

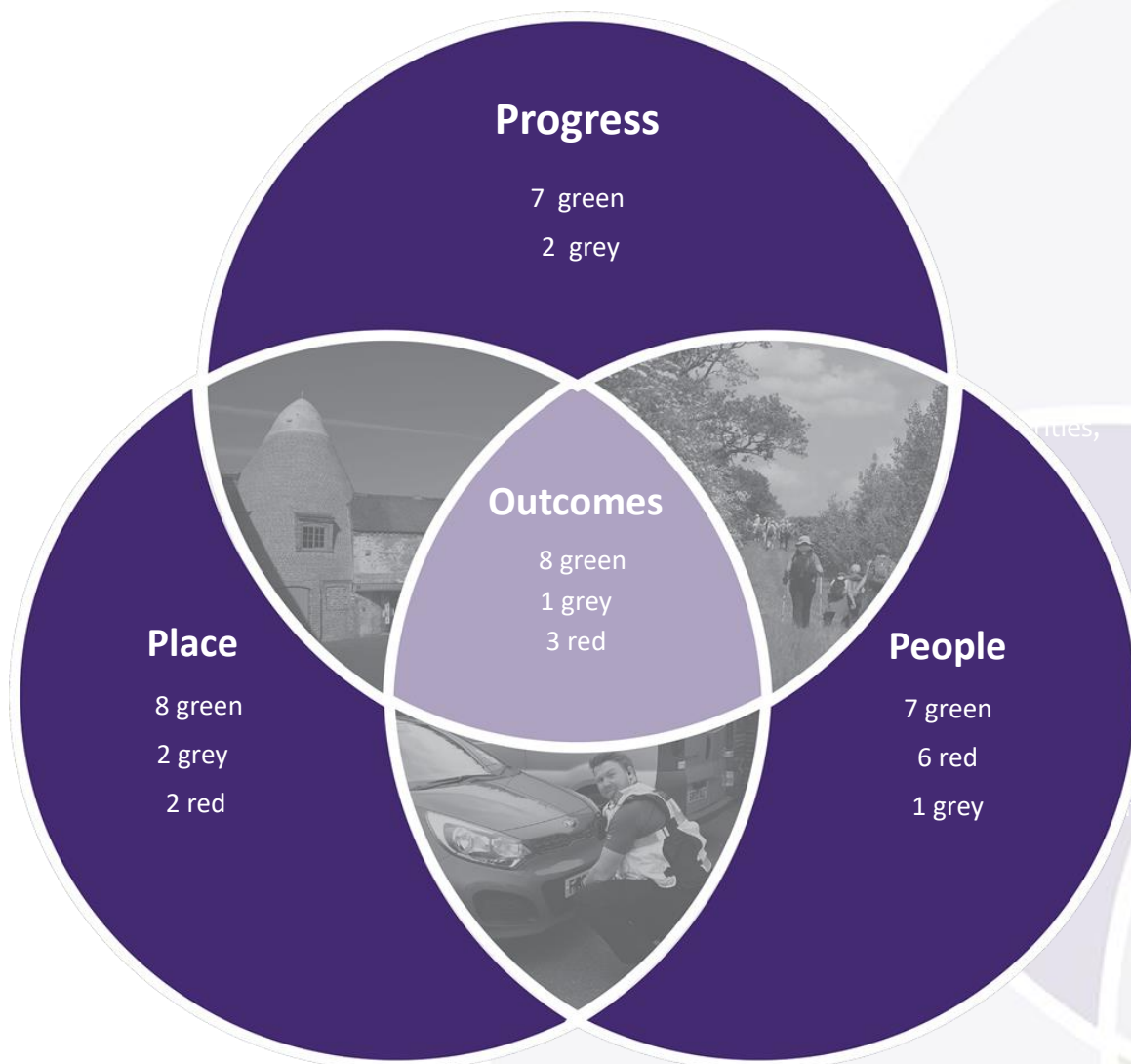
- 3.5 The Risk Registers for the Committee's services are detailed in **Appendices D, E and F**. This includes the registers and risk mitigation plans for the Corporate Resources and Chief Executive's Directorate, together with the Council's Strategic Risk Register. These were amended from quarter two reporting onwards to make it easier to understand and to enable a consistent format for assessing and reporting risk across Policy Committees.
- 3.6 Each risk has been identified and assessed against Corporate Plan aims and are considered to be the most significant risks to the Council in achieving its main objectives. The Risk Registers detail a matrix to show how each identified risk has been rated.
- 3.7 The Action Plan describes each risk, as well as mitigation measures in place and planned actions to minimise the likelihood of the risk occurring and/or its impact. The Action Plan also indicates whether the rating of a risk has changed since the previous quarter. The Committee is asked to review and challenge the risks identified.
- 3.8 There are two notable changes since the last Quarter as detailed below:

- **Universal Credit (UC):** This has been downgraded from **Amber** to **Green** due to a slower roll-out than originally planned by the Government which to-date, has had a lower impact compared to that anticipated on the deployment of resources in Revenues and Benefits. Although full implementation has been suspended by the DWP pending a pilot of transferring 10,000 legacy benefit cases to UC, the Government is still working to full roll-out by 2023. The position will be kept under review.
- **The UK's withdrawal from the EU:** This risk has been upgraded to **Red** due to the emergence of a "no deal Brexit" during Quarter 3. Council Officers have attended multi-agency meetings in Derbyshire and the wider East Midlands to assess the potential impact and planned actions with other agencies. The Council has also convened meetings of its Business Continuity Group to review the immediate effect on the Council and planned actions. The situation is being kept under review and an update will be provided at the Committee meeting.

Updated Risk Matrix

- 3.9 During 2018, the Council's Risk Management Framework was reviewed against best practice guidance. This resulted in some changes to the assessment, recording and reporting of risks from Quarter 2. The Council's insurers have since released an updated risk matrix to their clients and this has slightly changed the assessment and recording of risk in the coloured matrix.
- 3.10 The current matrix and the updated matrix which is proposed are shown in **Appendix G**. The updated matrix provides an "**amber barrier**" between the red zone and the green zone.

4.0 Overall Council performance – Quarter three (October 1 to December 31, 2018)



There are 30 green, six grey and 11 red projects and measures for the Council in quarter three.

5.0 Financial and Corporate Implications

5.1 None directly.

6.0 Community Implications

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

7.0 Appendices

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

Appendix E – Corporate Resources Risk Register
Appendix F – Strategic Risk Register
Appendix G – Revised Risk Matrix for approval



Theme	Ref	Aim	Project	Q2 progress	Q3 target	Q3 performance	Q3 detail	Service area	Owner	Directorate	Committee
Outcomes	O1	Maintain financial health	Identify £1m of budget savings and additional income by March 31, 2023	Completed and reported to F&M on 11th October 2018.	O1.1 Analyse actual impact of 100% Business Rates Pilot on Medium Term Financial Plan. F&M	As reported to Finance and Management Committee on 10 January 2019.	The Budget Report to the Committee confirmed that an additional £1 million will be generated from the Pilot in 2018/19. This has been set-aside for Economic Regeneration as approved by the Council during Budget 2018.	Finance	Vicki Summerfield, Financial Services Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
Outcomes	O1	Maintain financial health	Maximise rental income	1.99%. Target <2.5%	O1.2 Rent arrears as a % of the rent due. Target <2.5%. F&M H&CS	2.40%	The current tenant arrears total as at the end of December was £295,800. This excludes the cash payments (approx. £75,000) made at the end of December which were not posted onto the rent accounts until 2 January 2019. Housing Services expect to see a reduction in arrears in January 2019.	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	F&M H&CS
Outcomes	O2	Maintain proper corporate governance	Compile and publish an Annual Governance Statement in accordance with statutory requirements.	As reported to Full Council on 20th September 2018, the Auditor gave a qualified, "except for" conclusion on the Council's Value for Money arrangements for 2017/18.	O2.1 An unqualified opinion in the Annual Audit Letter. Annual target. F&M	Performance for the year previously reported.		Corporate Resources	Kevin Stackhouse, Strategic Director, Corporate Resources	Leadership Team	F&M
Outcomes	O3	Enhance environmental standards.	Demonstrate high environmental standards.	Internal consultation on environmental management options completed.	O3.1 Seek approval for the agreed environmental management option. E&DS	Complete	Environmental and Development Services Committee approved the retention of ISO14001 on the 16 August 2018. This successful recertification was achieved in November 2018.	Environmental Services	Matt Holford, Environmental Health Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Outcomes	O4	Maintain a skilled workforce.	Strengthen measures and support employees to reduce absence due to sickness/ill health.	3.07 days (provisional estimate). Target - 2 days.	O4.1 The average working days lost per employee is less than two days per quarter. F&M	2.85 days (1.63 days long term, 1.22 days short term). Target - 2 days.	See Action Plan	HR	David Clamp, Head of Organisational Development	Chief Execs	F&M
Outcomes	O4	Maintain a skilled workforce.	Further improve frontline services and develop a Council which is fit for the future by using the decision-making methodology identified by the Local Government Association review.	Final proposals are still to be presented to Committee.	O4.2 Revised structure in place and employment issues resolved. F&M	Report approved by Finance and Management Committee in Q3	Report was approved by Committee on 29th November 2018. Formal consultation period being undertaken that ended on 29th January 2019. Final proposals to be submitted to Finance and Management Committee on February 14. Implementation of new structure from April 1, 2019.	HR	Frank McArdle	Chief Execs	F&M
Outcomes	O5	Maintain customer focus.	Ensure services remain accessible to residents and visitors.	71.6%	O5.1 80% of telephone calls answered within 20 seconds. F&M	81.3%		IT	Ray Keech, Client Services Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
Outcomes	O5	Maintain customer focus.	Ensure services remain accessible to residents and visitors.	10.30%	O5.2 Call abandonment rate of less than 8% (Number of visitors to Civic Offices to be recorded). F&M	6% 7544 customers visited		Housing	Ray Keech, Client Services Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
Outcomes	O5	Maintain customer focus.	Improve the way in which Housing Services gathers, reports and acts on customer satisfaction data.	The STAR Survey was carried out during Q1 and Q2.	O5.3 Present satisfaction review findings to Elected Members. Collate Star Survey results and share with the Performance and Scrutiny Panel. H&CS	Achieved	The STAR survey results were presented to Housing and Community Services Committee on the 22 November 2018. Results have been reviewed with the Tenants' Performance and Scrutiny Panel and Housing Services teams. The next step is to draft the action plan with officers and tenants to address the main areas of dissatisfaction from the survey, the action plan will be presented to Housing and Community Services Committee on 7 March 2019.	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Outcomes	O5	Maintain customer focus.	Delivering a first class Repairs Service (strategic review of repairs and improvements) to provide value for money and high levels of customer satisfaction.	A first draft of the report was received from Housing Quality Network, consultants who are undertaking review of the Repairs Service. Planned to go to future committee.	O5.4 Implement outcomes of review following committee. H&CS	Review not taken to Committee in Q3.	See Action Plan	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Outcomes	O6	Minimise business risks and realise the benefits of technological opportunities.	Build IT infrastructure resilience to support change and minimise business risks.	Back up disaster recovery (DR) software solution agreed.	O6.1 Q1-3: New back up and disaster recovery process. Q2-4 Support channel shift and mobile working projects. F&M	Progress on track.	Tender for Microsoft Enterprise Agreement completed. Scoping of digital estate in readiness for upgrade in 2019 completed.	ICT	Anthony Baxter, ICT and Business Change Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
Outcomes	O6	Minimise business risks and realise the benefits of technological opportunities.	Establish a corporate approach and responsibility for business change and improvement, standardising evaluation and delivery of projects across the Council.	A new process for Business Improvement and Change Management was designed and delivered.	O6.2 Q2-4: Delivery of digital transformation, business improvement, service reviews and corporate transformation projects. F&M	Progress on track.	Projects are now being considered approved and delivered using the new Business Improvement and Change framework, including the new Planning and Land Charges Software, Asset Mapping & Hosted Software Solutions.	Business Change	Anthony Baxter, ICT and Business Change Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
People	PE1	Enable people to live independently	Residents satisfied with the quality of their new home	88%. Target - 90%	PE1.1 >90% of residents satisfied with the quality of their new home. H&CS	86%	See Action Plan	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE1	Enable people to live independently	Average time taken to re-let Council homes (excluding major voids)	35.7. Target <21 days.	PE1.2 Average time taken to re-let Council homes (excluding major voids) is <21 days. H&CS	45.7	See Action Plan	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE1	Enable people to live independently	Average length of time for current voids	59. Target <21 days.	PE1.3 Average length of time for current voids is <21 days. H&CS	80.6	See Action Plan	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Total number of tenancy audits completed.	275. Target - 250.	PE2.1 250 or more tenancy audits completed. H&CS	141	See Action Plan	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Number of successful introductory tenancies	96%. Target - 97%.	PE2.2 Number of successful introductory tenancies. Target - 97%. H&CS	100%	During Quarter 3, all 21 Introductory tenancies moved to Secure tenancies.	Housing	Paul Whittingham, Housing Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Average time for processing new Benefit claims.	18.7 days. Target <18 days.	PE2.3 Average time for processing new Benefit claims is <18 days. F&M	14.6 days	Remedial action successful. Performance is above average nationally	Finance	Ray Keech, Revenues and Customer Services Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Average time for processing notifications of changes in circumstances.	8.7 days. Target <8 days.	PE2.4 Average time for processing notifications of changes in circumstances is <8 days. F&M	7.8 days	Remedial action successful. Performance is above average nationally	Finance	Ray Keech, Revenues and Customer Services Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Successful roll out of Universal Credit in South Derbyshire.	Shared postcode roll out started in July. Progress and impact monitored.	PE2.5 Publicise and commence roll out on remaining cases. Monitor and maintain tenant engagement in line with initial rollout. H&CS F&M	Target met	Gateway to HB for new cases closed at the end of November 2019. UC available to eligible claimants from that date. Liaison arrangements in place with DWP, particularly Swadincote JCP. Minor teething issues in process of resolution. Meeting held with CAB regarding transfer of support arrangements from April 2019. Processes and publicity in place to help UC claimants avoid arrears of Council rent, Council Tax and other debts.	Finance and Housing	Ray Keech, Revenues and Customer Services Manager	Kevin Stackhouse, Strategic Director, Corporate Resources	H&CS F&M
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Deliver the Pilot Hospital Avoidance Scheme across South Derbyshire, saving the NHS bed days and cost (£).	A joint meeting has been held with Adult Social Care. The budget is now in place. A ground floor flat is on hold for this purpose and the scheme is due to be launched 2nd January 2019.	PE2.6 Incorporate support delivery and seek approval from Secretary of State to take two units outside Housing Revenue Account (2013 Housing Consents). H&CS F&M	0	See Action Plan	Housing	Eileen Jackson, Strategic Housing Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS F&M
People	PE3	Use existing tools and powers to take appropriate enforcement action.	Reduce the impact of empty homes on our communities by carrying out intervention plans.	7 Target >2	PE3.1 >4 empty home intervention plans for dwellings known to be empty for more than two years. H&CS	Year to date 10 Target >6	Seven empty properties are now occupied following the Council's intervention. Two are now on the market for sale and one is being actively redeveloped prior to occupation.	Environmental Services	Matt Holford, Environmental Health Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE4	Increase levels of participation in sport, health, environmental and physical activities.	Delivery of sport, health, physical activity and play scheme participations. Throughput at leisure centres and Rosliston Forestry Centre.	Rosliston 62,225 visitors Leisure centres 275,727.	PE4.1 Throughput at Etwell Leisure Centre, Green Bank Leisure Centre and Rosliston Forestry Centre. Target for Rosliston = 60,000. Target for leisure centres - 172,108. H&CS	Rosliston 39,371 visitors, Leisure centres visitors 263,413	Overall visitors year to date to Rosliston is 157,567 so the year-end target is still within reach. Overall participation figures at Leisure Centres is on target.	Cultural Services	Malcolm Roseburgh, Cultural Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE4	Increase levels of participation in sport, health, environmental and physical activities. H&CS	Delivery of the Physical Activity, Sport and Recreation Strategy.	Overall participations for quarter 2 period including Environmental Education, Sport and Health and Parklife Project were 11,220 in addition to play provision numbers of 5,159.	PE4.2 Q3 Delivery of awards evening to recognise individual, club and community contributions. H&CS	Complete	Active South Derbyshire Awards Held in October 2018 at the Pingle Academy. Range of individuals, clubs and community groups and schools recognised for their contribution to physical activity, sport, recreation, health and leisure in South Derbyshire	Active Communities and Health	Hannah Peate, Active Communities and Health Partnership Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
People	PE5	Reduce the amount of waste sent to landfill.	Minimise household waste collected.	104kgs. Target <130kgs.	PE5.1 Household waste collected per head of population (kg) is <110kgs. E&DS	98kgs. Target <130kgs.	The Council continues to work proactively with Derbyshire County Council through the Derbyshire Waste Partnership on education and promotion to minimise waste across the district. This couple with an increased national awareness on recycling has seen numbers fall in South Derbyshire.	Direct Services	Adrian Lowery, Direct Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
People	PE5	Reduce the amount of waste sent to landfill.	Maximise recycling output in South Derbyshire.	46%. Target >55%.	PE5.2 >53% of collected waste recycled and composted. E&DS	42%. Estimate. Target >47%	As previously reported the exceptionally dry hot summer has reduced composting waste by around 8%. Encouragingly recycled waste tonnage is slightly up on Quarter 3 from 17/18. See Action Plan	Direct Services	Adrian Lowery, Direct Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS

People	PE6	Develop the workforce of South Derbyshire to support growth.	Deliver the RISE project to help young people to flourish and achieve their potential.	Internal working group established.	PE6.1 Ascertain levels of aspiration via consultation with secondary school pupils in South Derbyshire. H&CS	0	South Derbyshire Partnership agreed on January 30 that further work will be undertaken on Social Mobility which has a direct link to this project. Further work will be done on undertaking a further survey on aspiration in secondary schools.	Active Communities and Health	Hannah Peate, Active Communities and Health Partnership Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Increase the supply and range of affordable housing provision.	52	PL1.1 Total number of affordable dwellings delivered. Target of >150 for the year. H&CS	53	During Quarter 3, 53 units were delivered in total, five from Riverside, four from Derwent Living, six from Nottingham Community Housing Association, 38 from Trent and Dove Housing. In total 22 social rented, 16 affordable rented and 15 shared ownership. Year to date 174 units have been delivered.	Housing	Eileen Jackson, Strategic Housing Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Increase the supply and range of new homes added to the HRA.	0 (Proxy)	PL1.2 Number of new homes added to the HRA (this indicator incorporates new builds and also acquired properties into the HRA). Proxy. H&CS	0	Six units at Overseal will be completed during Quarter 4	Housing	Eileen Jackson, Strategic Housing Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Deliver key supplementary documents to adopted South Derbyshire Local Plan, parts 1 and 2.	The Local Green Spaces Sustainability Appraisal scoping consultation was approved for adoption.	PL1.3 Pre submission Local Green Spaces Document approved for consultation. E&DS	0	Authorisation for consultation obtained from Environmental and Development Services Committee on the 24 January 2019.	Planning Services	Tony Sylvester, Planning Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Speed of determining planning applications.	91%. Target - 90%	PL1.4 Number of decisions made in time over number of decisions made. Target - 90% E&DS	86%	See Action Plan	Planning Services	Tony Sylvester, Planning Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Proactive monitoring and support of housing delivery. Maximise delivery of housing units.	Monitoring undertaken on housing sites. All inputting and survey work complete	PL1.5 Continuing intervention and formulating action plans where necessary. E&DS	100%	Ongoing interventions, monthly update meeting with case officers held to review this situation.	Planning Services	Tony Sylvester, Planning Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Further improve the design quality of development in South Derbyshire (defined using Build for Life criteria).		PL1.6 Proportion of good quality housing development schemes (defined using Build for Life criteria) approved. Target - 90%. E&DS	Annual	Reported annually.	Planning Services	Tony Sylvester, Planning Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Place	PL3	Help maintain low crime and anti-social behaviour (ASB) levels	Deliver a programme of proactive interventions to reduce fly-tipping incidents.	340. Target <344.	PL3.1 Downward trend in fly-tipping incidents. Target <172 E&DS	471. Target <516	Incidents in Quarter 3 were lower than they have been in the previous three years.	Environmental Services	Matt Holford, Environmental Health Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Place	PL3	Help maintain low crime and anti-social behaviour (ASB) levels	Reduce anti-social behaviour (ASB) incidents in Swadlincote Centre (Civic Way) Local Super Output Area.	424 (annual rolling figure). Target <400.	PL3.2 Number of ASB incidents in Swadlincote Centre (reported as a rolling figure) is <400. H&CS	399 (annual rolling figure)	The December figure of 15 calls for police service for ASB was the lowest in 2018, leading to a reduction below the annual rolling target.	Communities Team	Chris Smith, Communities Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Place	PL4	Connect with our communities, helping them feel safe and secure.	Review and deliver the Safer South Derbyshire Community Safety Partnership Plan.	Summer sessions delivered in urban core and additional activities in ASB hotspot areas.	PL4.1. Hold Neighbourhood Watch Co-ordinators meeting. Deliver hate crime awareness campaign. H&CS	Hate crime Awareness Campaign held, Neighbourhood Watch Co-ordinators meeting to be held in Q4.	Hate Crime campaign held during Hate Crime Awareness week in October. Stop Hate UK Posters and contact cards handed out to taxi ranks and local fast food eateries. Stop Hate UK's 'Spread Love, not Hate' social media campaign rolled out through Council, Partnership and Police social media sites and in partnership with schools. Neighbourhood Watch co-ordinating group meeting now scheduled for Quarter 4 as the Neighbourhood Watch co-ordinator for South Derbys requested it be delayed so he can feedback from the National Network meeting which meets late January and may have an the role of co-ordinators.	Communities Team	Chris Smith, Communities Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Place	PL5	Support provision of cultural facilities and activities.	Promote participation in cultural activities and provide quality facilities to support communities.	13 plaques installed as part of Swadlincote Heritage Trail. Target was at least 20.	PL5.1 Deliver an event to mark the centenary of the First World War. H&CS	A number of Remembrance day events held	Remembrance Day service, parade and beacon lighting events all held and were well received by those attending.	Cultural Services	Malcolm Roseburgh, Cultural Services Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS
Place	PL6	Deliver services that keep the District clean and healthy.	Invest additional resources in street scene services and maintain and improve standards as the District grows.	Additional resources and service standards for street scene approved.	PL6.1 Q3 and Q4 New performance monitoring in place. E&DS	Performance monitoring indicators developed.	Report on proposed performance measures going to Environmental and Development Services Committee on 24 January 2019, once approved monitoring will commence Q1 2019/20. See Action Plan	Direct Services	Adrian Lowery, Direct Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Progress	PR1	Work to attract further inward investment.	Showcase developments and investor opportunities in South Derbyshire.	N/A	PR1.1 Net additional commercial/employment floor space created (proxy). E&DS	Annual	Reported annually.	Planning Services	Tony Sylvester, Planning Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Progress	PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Drive forward Swadlincote Town Centre Vision and Strategy.	Consultations undertaken with public, private and voluntary/community sector partners via the South Derbyshire Partnership Sustainable Development Group, Swadlincote Town Team and an online survey.	PR2.1 Update E&DS Committee on current position. E&DS	Achieved	Mid-Term Review of Swadlincote Town Centre Vision and Strategy reported to E&DS Committee in November. Two initiatives subsequently progressed to Leadership Team.	Planning Services	Mike Roylance, Economic Development Manager	Chief Execs	E&DS
Progress	PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Ensure the continuing growth of vibrant communities and town centres.	N/A	PR2.2 Vacant premises in Swadlincote, Hilton and Melbourne (proxy). E&DS	Annual	Reported annually.	Planning Services	Tony Sylvester, Planning Services Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Progress	PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Pursue the development of transport solutions for a West Link (Swadlincote, Newhall, Ashby, Melbourne, East Midlands Airport) in collaboration with East Midlands Enterprise Gateway	N/A	PR2.3 Seek approval for involvement and potential investment from Elected Members and set project milestones accordingly. E&DS	Achieved	Approval granted at F&M on 30 August 2018 for a potential funding bid.	Planning Services	Mike Roylance, Economic Development Manager	Chief Execs	E&DS
Progress	PR3	Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists.	Promote entrepreneurial opportunities to improve employability skills and raise awareness of self-employment.	Burton & South Derbyshire College students undertaken a project to design a Heritage Trail App.	PR3.1 Deliver Thinking of Starting a Business workshops. E&DS	Achieved	Workshops held in June in Newhall and in October in Melbourne. Further workshop planned for February in Swadlincote.	Economic Development	Mike Roylance, Economic Development Manager	Chief Execs	E&DS
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses by maximising Food Hygiene Rating scores of five.	82.9%. Target - >83%.	PR5.1 Food businesses which have a Food Hygiene Rating score of five. Target - >83%. E&DS	83.4%. Target > 83%	The number of five rated businesses has increased from 565 to 574 since April 2018.	Environmental Services	Matt Holford, Environmental Health Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses in South Derbyshire through registered food businesses active.	844. Target >810	PR5.2 Registered food businesses active in the District is >810. E&DS	843. Target >810	14 requests for new food business registrations received in Quarter 3. 36 received in Quarter 1 to Quarter 3.	Environmental Services	Matt Holford, Environmental Health Manager	Allison Thomas, Strategic Director, Service Delivery	E&DS
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Offer support and guidance through the South Derbyshire Business Advice Service.	59 (target - 30)	PR5.3 Guidance offered to businesses or people thinking of starting a business (through the South Derbyshire Business Advice Service). Target - 30. E&DS	67	67 advisory sessions were held. The Annual Business Awards were delivered with Gibson Technology from Repton as the overall winner and Midland Lead from Woodville amongst the other successes.	Economic Development	Mike Roylance, Economic Development Manager	Chief Execs	E&DS
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Deliver the Community Partnership Scheme and award capital funding totalling £250k to meet local need.	Target - hold first grants panel. Grants panel was not held due to an issue with the membership.	PR5.4 Hold first grants panel and further workshop. Successful applications to be reported to committee. H&CS F&M	Grant panel held, applications approved at Committee in November.	12 applications received, 11 grants were approved, one was asked to provide further information which will be re-submitted in Quarter 4. Total of value of £217,983 in grants was approved at Housing and Community Services Committee on 22 November 2018.	Communities Team	Chris Smith, Communities Manager	Allison Thomas, Strategic Director, Service Delivery	H&CS F&M

Finance and Management Committee Strategic and Service Success Areas Quarter 3 - 2018/19

Appendix B



2.40%

Target - <2.5%

Rent arrears at quarter end was £295,800 excluding cash payments (approx. £75,000) made at the end of December.



11

Projects helped

Total of £217,983 of Community Partnership Scheme grants approved.



IT

Safe and secure

Back up disaster recovery (DR) software solution agreed.



7.8 days

Target <8 days

Time taken to process a change in circumstances was an average of 7.8 days.



Support

Universal Credit

Processes and publicity in place to help claimants avoid Council rent, Council Tax and other debt arrears.

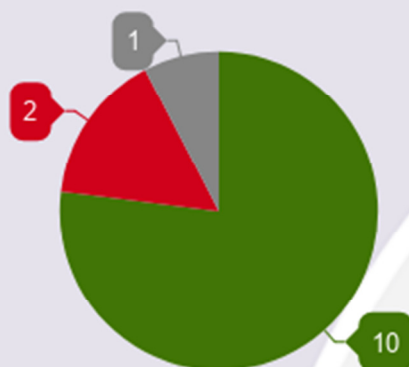


£1 million

Income generated

Business Rates Pilot will generate an additional £1m in 2018/19 to be set aside for economic regeneration.

Performance Overview



Green (76.92%) Red (15.38%) Grey (7.69%)



81.3%

Target - 80%

Telephone calls answered within a time of 20 seconds.



Transformation

Business improvement

New Planning and Land Charges Software project delivered this quarter.



7,544

Visitors

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



14.6

Target - <18 days

New claims have been processed in an average of 14.6 days, more than 3 days below target..

Appendix C



0

Full consultation completed with staff and trade unions.

Target - 1

Theme – Outcomes

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

Target – Full consultation completed with staff and trade unions.

Performance – Report not approved by Council.

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

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

Key actions underway – The Chief Executive has discussed the proposals from the LGA with the Council's Strategic Directors and a report was approved by Finance and Management Committee on November 29, 2018. A formal consultation period is now being completed and final proposals to be presented to Finance and Management on February 14, 2019. Final proposals were approved and work is now progressing to implement the proposals from April 1, 2019.

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

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



2.85 days

The average working days lost per employee

Target - 2

Theme – Outcomes

Action – O4.2 The average working days lost per employee.

Target: Less than two days per quarter.

Performance – 2.85 days (1.6 days long term, 1.22 days short term)

Trend – The number of working days lost to sickness absence for the year 2017/18 was 3,408 days or, on average, 11.63 days per person. This is an increase from 2,613 days and 9.91 days per person in 2016/17.

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

An action plan has been developed and contact been made with different partners to identify potential initiatives to be progressed. Training has provided in Mental Health First Aid with three people now available as points of contact; further training has been planned in mental health awareness and mental health awareness for managers along with a review of the Attendance Management Procedure (AMP). A dedicated site on the intranet has been developed and now available for employees that contains information and contact details in relation to health and wellbeing in the workplace. Proposals to amend trigger points in the AMP are being discussed with the trade unions.

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

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

There are two actions for the Finance and Management Committee

CHIEF EXECUTIVE'S RISK REGISTER (AS AT DECEMBER 31, 2018)

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
CE1 Failure of tourism partnerships leading to an adverse impact on businesses in visitor economy.	Likelihood is unlikely and impact is moderate.	Tolerate the current situation and keep under review.	<ul style="list-style-type: none"> • Proactive engagement in partnerships and with individual partners • Commitment of officer time and resources to partnership activities • Monitoring of projects and performance 	No change to rating or treatment.
CE2 Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy	Likelihood is unlikely and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • Proactive support for partnership • Commitment of officer time and resources to partnership facilitation • Engagement of partners in policy making and project design and delivery 	No change to rating or treatment.
CE3 Failure of Sharpe's Pottery Heritage & Arts Trust, leading to a loss of service to visitors and residents through the Tourist Information Centre.	Likelihood is medium and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • Officer advice and support available to Trust <ul style="list-style-type: none"> • Member involvement in Trust Board • Monitoring of services and performance, including Service Level Agreement and Work Programme 	No change to rating or treatment.
CE4. Poor quality performance data.	Likelihood is low and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • Reviewed quarterly as part of the performance reporting process. • Methodology statements compiled and continually monitored and updated <ul style="list-style-type: none"> • Annual data quality audit undertaken. 	No change to rating or treatment.

CHIEF EXECUTIVE’S RISK MATRIX (as at Dec 2018)

Likelihood					
4 High					
3 Medium		CE9 Failure of Sharpe’s Pottery Heritage and Arts Trust			
2 Low					
1 Unlikely		CE6 Failure of tourism partnerships CE7 Failure of the South Derbyshire Partnership CE14. Poor quality performance data			
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

CORPORATE RESOURCES RISK REGISTER (AS AT DECEMBER 2018)

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last quarter
<p>1 Universal Credit (UC) – the implementation of UC could have an impact on resources in Benefits and Customer Services.</p>	<p>Currently being rolled out but impact on local resources currently limited.</p> <p>The potential impact could be greater from the next stage of implementation, but this has now been delayed by the Government.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The impact of welfare reform to date has been incremental and has not had any significant impact directly on staffing resources.</p> <p>As expected, UC was rolled out to all new claimants in South Derbyshire from November 2018. The roll out for existing claimants was expected to commence in July 2019 and be fully implemented by December 2023 for all working age claimants. The Government are currently in the process of suspending this timetable pending a pilot to migrate 10,000 people from “legacy benefits” onto UC as a test and learn approach.</p> <p>It is considered that a full roll-out of UC would likely reduce the amount of housing benefit claims being processed. In this case, it is anticipated that spare capacity will be utilised to support claimants as they switch to and manage UC. Staff levels will be kept under review.</p>	<p>This risk has been downgraded from Amber to Green given the slower roll out of UC and the suspension of the planned timetable for full implementation.</p>
<p>2 Fraudulent activities – the possibility of fraud being undetected.</p>	<p>Fraud is being prevented and detected. However, national studies show fraud is leading to a significant loss of resources within the Public Sector as a whole.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Council works in partnership with other Derbyshire authorities who share a software package that enables data matching in Council Tax and Business Rates.</p> <p>Single Person Discount checks are also regularly undertaken.</p> <p>In addition, the Council has a Shared Service Arrangement with Derby City Council to share a dedicated Fraud Unit. This Unit is resourced to prevent and detect fraud across all services.</p> <p>The performance of the Service is measured and reported to the Committee on a quarterly basis.</p>	<p>No change to rating or treatment.</p>

<p>3 The Directorate is responsible for providing a procurement service. Given the specialised and regulatory nature, there is a risk of not having resources to enable good quality advice and support for Services.</p>	<p>The Council does not have its own procurement department but currently has access to support and advice so the likelihood is considered low.</p>	<p>Treat the risk through continuous action and review</p>	<p>The Council is part of a Shared Service Arrangement with other Derbyshire Agencies. The Service commenced in January 2018 for a three year term. As per the Service Level Agreement, performance is monitored on an ongoing basis.</p>	<p>No change to rating or treatment.</p>
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STRATEGIC RISK REGISTER (UPDATED AS AT DECEMBER 2018)

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
<p>1 Funding - a reduction in core spending power.</p>	<p>There are on-going reductions in national resources but resources locally are increasing. Uncertainty surrounds the future allocation of the New Homes Bonus from 2020/21 and the Retention of Business Rates. The Government is currently consulting on a Fair Funding Review, the outcome of which is due to be implemented from April 2020.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Medium Term Financial Plan (MTFP) was approved by the Committee in October 2018 and updated in January 2018 as part of 2019 Budget. Overall, there continues to be a relatively healthy financial position into the medium-term. Longer-term budget savings may be required although General Reserves are currently adequate and known financial risks are being provided for in the MTFP.</p>	<p>No change to rating or treatment.</p>
<p>2 The economy - the impact of the national economic situation locally.</p>	<p>Currently, the local economy is relatively strong and growing. A rise in interest rates would have a low impact due to the Council's debt structure and would actually increase returns on current investments. However, the impact of the UK leaving the EU on local development, and business, together with the Council's Treasury Management operations, remains uncertain.</p>	<p>Tolerate the current situation and keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate any risk, but the position is being kept under review.</p> <p>On-going budgets for income from planning fees, land charges, etc. together with the New Homes Bonus and Council Tax receipts are set at levels below current actuals, leaving some room for the effect of any significant downturn in the local economy.</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue. Any increase would be a direct benefit to the Budget.</p> <p>A significant amount of Debt is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan. The Council's investments are being kept under review pending the final Exit Deal from the EU.</p>	<p>No change to rating or treatment.</p>

			<p>The Council's Property Strategy has focused on ensuring the Council's assets are being positioned to react to local investment opportunities, including land assembly and joint ventures. The redevelopment of Cadley Park is progressing apace.</p> <p>There is on-going dialogue through the Derby and Derbyshire Economic Prosperity Board to access funding and with developers to look at alternative options for regeneration in Swadlincote. Funding through the One Public Estate also being pursued.</p> <p>Additional resources currently being generated from the 100% Business Rates Retention Pilot in 2018/19 and this is being set-aside to support future economic regeneration.</p>	
<p>3 Technology and data - keeping pace with developments together with the management and security of data.</p>	<p>ICT Strategy in place with on-going development. The Council is PSN (Public Sector Network) and GDPR compliant. However, some technological opportunities are being missed and there is reputational damage and a possible fine should a data breach occur.</p>	<p>Treat the risk through continuous action and review</p> <p>Aspects of this risk are also transferred as they are insured perils with the Council's Insurers.</p>	<p>Investment continues to be made in upgrading the ICT infrastructure and network to ensure PSN compliance. An annual independent audit is undertaken each year to test the Council's compliance with PSN.</p> <p>An annual internal audit review tests the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being monitored by the Audit Sub-Committee.</p> <p>Regular training and briefings given to Elected Members and Officers to raise awareness of data and security issues. An E-learning package has recently been rolled out.</p> <p>In addition, the Council used external resources to strengthen information governance and compliance, ahead of the implementation of the Data Protection Act 2018. A Data Protection Officer has been appointed by the Council who reports directly to the Leadership Team on matters concerning Information Governance.</p> <p>Following previous malware virus attacks, additional measures have been implemented to restrict Internet access to certain sites, together with implementing</p>	<p>No change to rating or treatment</p>

			<p>additional monitoring controls to detect and prevent virus attacks.</p> <p>Resources have been set-aside for Business Change with ICT a fundamental part of that change. Projects to migrate to a new Microsoft platform, greater use of digital technology, together with an upgrade of devices, are all projects currently in progress.</p>	
<p>4 Business continuity - arising from the loss of the main Civic Offices, ICT capability, together with a major displacement of the workforce or a fuel shortage, etc.</p> <p>An emerging issue during the previous quarter and now an immediate and live issue is the potential impact of a “No Deal Brexit” on the Council’s Services.</p>	<p>There is now a medium likelihood and the impact could be significant.</p>	<p>Treat the risk through continuous action and review.</p> <p>Aspects of this risk are also transferred as they are insured perils with the Council’s Insurers.</p>	<p>Business continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. Regular meetings and training exercises take place with other agencies in Derbyshire.</p> <p>An ICT Disaster Recovery (DR) solution is in place off-site. Data is backed-up and stored in a secure off-site facility outside of the immediate region. An improved all-encompassing solution is nearing completion and this is expected to be implemented shortly to strengthen DR arrangements.</p> <p>Provision for home-working and remote access is in place. Comprehensive insurance in place with insurers providing support to secure temporary accommodation if required.</p> <p>As regards a “No Deal Brexit” Council Officers have attended multi-agency meetings in Derbyshire and the wider East Midlands to assess the potential impact and planned actions with other agencies. The Council has also convened meetings of its Business Continuity Group to review the immediate effect on the Council and planned actions. The situation is being kept under review.</p>	<p>The overall risk rating has been upgraded to Red due to the immediate issue of a “No Deal Brexit”.</p>
<p>5 Capacity and resilience - recruitment, retention and development of the workforce and dealing with</p>	<p>There are some issues in specific areas but this is not universal or in larger service areas. Resources set-aside and being invested to expand service provision and develop the workforce.</p>	<p>Treat the risk through continuous action and review.</p>	<p>During 2018/19, there have been restructures in Revenues and Benefits, Financial Services, Planning Services, together with Legal/Democratic Services. These restructures have provided additional resources and capacity in these particular services.</p>	<p>No Change to rating or treatment</p>

<p>additional demand for services.</p>			<p>A proposed restructure of the Council's Senior Management was approved by the Committee in November 2018. Final proposals are due to be considered by the Committee on 14 February 2019. The aim of the proposals is to create resilience in service provision with the creation of new Head of Service posts, including two new posts to focus on Organisational Development, together with Community and Cultural services. The proposals also aim to strengthen recruitment and retention of senior staff.</p>	
<p>6 Voluntary and community sector - a reduction in resources for partners who deliver services with or on behalf of the Council.</p>	<p>Evidence that this is occurring with CVS and Citizens Advice having core funding reduced.</p>	<p>Tolerate the current situation and keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>The Council's current grant funding has been maintained and is proposed to increase in 2019/20 by 2% for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>Dedicated officer time in place to support the voluntary sector and local organisations. Council Officers currently working with the CVS and Citizens Advice.</p>	<p>No change to rating or treatment.</p>
<p>7 Terrorism and potentially violent situations – as a public body there is a potential for the Council and its workforce to become a target.</p>	<p>From time to time, members of the workforce do face individual threats in the course of undertaking their duties.</p>	<p>Treat the risk through continuous action and review. Aspects of this risk are also transferred as they are insured against.</p>	<p>Lone working systems in place which have recently been enhanced by the implementation of a 'Solo-Protect.' system.</p> <p>A Potentially Violent Persons Policy and Risk Register were approved by the Committee in October and this has been implemented.</p> <p>Alarms and warning system in place in Civic Offices.</p>	<p>No Change to rating or treatment.</p>
<p>8 Statute and regulation – the failure to meet requirements.</p>	<p>There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.</p>	<p>Treat the risk through continuous action and review.</p>	<p>This applies to many Council services. In general, the necessary skills and resources are in place to ensure that the Council meets its statutory duties. In addition, the Council's Constitution, policies and procedures aim to support strategic and regulatory delivery of its services.</p>	<p>No change to rating or treatment.</p>

<p>9. Health and Safety – the potential to contravene regulations through bad practice.</p>	<p>Due to the continuing focus on Health and Safety, the likelihood of a major incident is low, but the impact could be significant.</p>	<p>Treat the risk through continuous action and review</p>	<p>The Council employs a corporate Health and Safety Officer.</p> <p>An on-going training programme is in place for all staff and in particular for parts of the workforce where there is a greater risk of an incident.</p> <p>Accidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</p> <p>Risk assessments are regularly undertaken and procedures updated when necessary.</p>	<p>No change to rating or treatment.</p>
<p>10. Managing the environmental impact of incidents across the District.</p>	<p>There is no recent evidence to suggest any significant issues, the likelihood of any environmental impact is low but the impact could be significant.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the District. This includes flooding, air/water pollution, weather related incidents and contaminated land.</p>	<p>No change to rating or treatment.</p>

CURRENT RISK REGISTER TEMPLATE

Likelihood					
4	High	Yellow	Yellow	Red	Red
3	Medium	Green	Yellow	Red	Red
2	Low	Green	Green	Yellow	Red
1	Unlikely	Green	Green	Yellow	Yellow
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

PROPOSED RISK REGISTER TEMPLATE

Likelihood					
4	High	Green	Yellow	Red	Red
3	Medium	Green	Yellow	Yellow	Red
2	Low	Green	Green	Yellow	Yellow
1	Unlikely	Green	Green	Green	Yellow
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	14th MARCH 2019	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: s/finance/committee/2018-19/Mar 19
SUBJECT:	BUDGET and FINANCIAL MONITORING 2018/19	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendation

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

2.0 Purpose of the Report

- 2.1 To provide progress on performance against budgets for the financial year 2018/19.
- 2.2 Where applicable, the effects upon the Medium-Term Financial Plan (MTFP) are also noted.
- 2.3 The report details performance up to 31st December 2018 (unless stated otherwise) and is effectively the 3rd quarter's update of income and expenditure for 2018/19.
- 2.4 The report covers:
- General Fund Income and Expenditure
 - Collection Fund
 - Housing Revenue Account
 - Capital Expenditure and Financing
 - Financial Performance Indicators

3.0 Detail

GENERAL FUND REVENUE ACCOUNT

3.1 Apart from Council Housing, day-to-day revenue income and expenditure on Council services is accounted for through the General Fund. The Net Expenditure is financed from the Council's Core Spending Power which contains:

- General Government Grant
- Retained Business Rates
- New Homes Bonus
- Council Tax

- 3.2 The Base Budget for 2018/19, which was approved by the Council in February 2018, estimated a budget deficit of £161,270 for 2018/19. This was then updated in February 2019 in the Medium Term Financial Plan to a surplus of £832,258. The movement related to approved changes by this Committee plus an increase to the expected Business Rates retained in year and is summarised in the following table.

	£
Base Budget	12,070,316
Reverse out Depreciation	-871,666
Minimum / Voluntary Revenue Provisions	336,861
Contingent Sums	592,593
Total Estimated Spend	12,128,104
Financing	-12,960,362
Estimated Surplus	-832,258

Position as at December 2018

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

COMMITTEE	ANNUAL			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Environmental and Development	4,367,019	4,249,590	(117,430)	(72,743)	(44,687)
Housing and Community	2,657,004	2,427,160	(229,844)	(236,443)	6,598
Finance and Management	5,046,293	3,742,720	(1,303,572)	(1,236,186)	(67,386)
TOTAL	12,070,316	10,419,470	(1,650,846)	(1,545,371)	(105,475)

- 3.4 Although the above table shows that projected net expenditure is £1,650,846 lower than the base budget, approximately £1,545k is due to grant income, external contributions and receipts received from developers under Section 106 agreements, for on-going projects and capital schemes which stretch beyond the current year 2018/19. This funding is transferred to specific reserves and drawn-down to finance expenditure when it is incurred.
- 3.5 Excluding transfers to earmarked reserves, the above table shows that based on current spending, there is a projected decrease in overall net expenditure across General Fund Services of approximately £105k compared to the base budget for the year.
- 3.6 An analysis by main service area is shown in the following table.

Budget Monitoring - December

Summary by Main Service Area

MAIN SERVICE AREA	BUDGET			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Economic Development	251,238	255,022	3,784	(7,538)	11,322
Environmental Services	516,373	495,367	(21,006)	0	(21,006)
Highways	44,548	47,526	2,978	0	2,978
Licensing and Land Charges	(638)	(15,528)	(14,890)	0	(14,890)
Planning	604,687	457,320	(147,367)	(30,000)	(117,367)
Town Centre	95,137	92,819	(2,317)	0	(2,317)
Waste Collection & Street Cleansing	2,157,599	2,284,996	127,397	0	127,397
Environmental Education	79,052	43,848	(35,205)	(35,205)	0
Transport Account	619,022	588,219	(30,803)	0	(30,803)
Community Development and Support	571,808	552,195	(19,613)	(38,388)	18,775
Leisure and Recreational Activities	188,722	177,135	(11,586)	0	(11,586)
Leisure Centres and Community Facilities	565,115	312,832	(252,282)	(265,364)	13,082
Parks and Open Spaces	907,331	1,032,276	124,945	114,822	10,124
Private Sector Housing	424,029	352,721	(71,308)	(47,512)	(23,796)
Central and Departmental Accounts	3,240,049	3,126,216	(113,832)	(59,774)	(54,058)
Revenues and Benefits	537,680	501,866	(35,813)	(114,373)	78,560
Electoral Registration	207,232	207,233	1	0	1
Corporate and Democratic Costs	547,529	554,043	6,514	0	6,514
Payments to Parish Councils	359,832	359,832	0	0	0
Concessionary Travel	0	(9,460)	(9,460)	0	(9,460)
Property and Estates	(166,027)	(183,046)	(17,019)	0	(17,019)
Pensions, Grants, Interest and Receipts	319,998	(813,965)	(1,133,963)	(1,062,039)	(71,924)
TOTAL	12,070,316	10,419,470	(1,650,846)	(1,545,371)	(105,475)

Overview of Spending to date

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

	£'000
Salary savings (vacancies, maternity etc.) - F&M	-293
Salary savings (vacancies, maternity etc.) - E&D	-221
Salary savings (vacancies, maternity etc.) - H&C	-53
Investment Income	-72
Lettings from Industrial and Commercial Units	-32
Vehicle Spare Parts	-31
Increased Environmental Health Income	-21
Increased Personal Searches Fee Income	-10
Increased Street Naming Income	-5
Staff Advertising	5
External Legal Support	8
Tools - Bodycams and Calibrator for Environmental Health	9
Tree & Sewer Works Unbudgeted	10

Markets Additional Costs	12
Traveller's Site Transfer to County	15
Repairs & Maintenance of Public Buildings	18
Revenues and Benefits System Upgrades and Support	19
Building Control Income	20
Rosliston Fee Income	20
DMA Review Costs	25
Reduced Income Household Waste	37
Vehicle Hire	90
NNDR Rateable Value Finder Fee	102
Agency and Consultancy Costs	243
TOTAL - OVERALL PROJECTED VARIANCE	<u><u>-105</u></u>

- 3.8 Budget savings are currently being made from vacant posts although these savings are partially offset by agency and consultancy costs to support service areas. Salary savings total £567k with support costs totaling £243k.
- 3.9 Building Control income is lower than anticipated. This was expected to be adverse and is due to lower market share. The transfer of this service to the Shared Service Arrangement hosted by Lichfield District Council in April 2019 is underway after approval by this Committee earlier in 2018.
- 3.10 Household Waste is expected to be adverse on income by year-end due to a lower than expected final income receipt for 2017/18 from Derbyshire County Council.
- 3.11 Costs incurred using external resource to review the Council's management structure under the Decision Making Accountability (DMA) principle has been reported previously and can be absorbed within contingent sums set-aside within the MTFP.
- 3.12 The cost of employing an external company to source rateable value on businesses not currently on the Council's revenues system has been included in contingent sums. Additional Business Rates revenue will be generated in 2018/19 and should offset the additional costs.
- 3.13 The other main variance is the cost of vehicle hire which is due to growth of the District plus an aging vehicle fleet. Growth expenditure can be absorbed within contingent sums.
- 3.14 Vans have been ordered to replace ageing vehicles and are being delivered in phases; the final delivery took place in January. There is a requirement to order two sweepers and these are to be part of a procurement exercise for delivery in 2019/20. Savings are being seen within spare parts with the new vehicle fleet.

Other Variances

- 3.15 The future management of the Town Centre Market is being reviewed. In the meantime additional costs are being incurred. Approval to appoint a new Contractor was approved by the Committee in February.
- 3.16 Increases on Industrial Unit income is due to a reduction in void properties and is expected to be a favourable variance by year-end.
- 3.17 Tree works on cemeteries and sewer works to help with the prevention of flooding were unbudgeted at the level incurred to date but were necessary to complete.
- 3.18 Income from the shop, log cabins and activities at Rosliston Forestry Centre are lower than budgeted during the transition back to the Council. A reduced level of activities over the summer period and the ending of a contract for holiday lettings have contributed to the lower level of income but this has been reviewed and will be focused on in 2019/20.
- 3.19 The Traveller's site at Lullington was transferred back to Derbyshire County Council during February 2018. The date of transfer was unknown at the point of budgeting for 2018/19. Previously, the County had contributed towards the central establishment costs whilst the site was under the Council's management. These costs will now not be recovered in year.
- 3.20 Expenditure on repairs to Public Buildings is expected to be adverse in year due to wear and tear at Rosliston Forestry Centre and Green Bank Leisure Centre. All expenditure incurred can be contained within sums set-aside each year in earmarked reserves.

Contingent Sums

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

	£
Senior Management Restructure	38,716
Waste Collection and Recycling	100,000
Growth	315,000
Approved Additional Grant (Sharpe's Pottery)	7,500
Costs of Rateable Value Finder	100,000
Apprenticeship Levy	31,377
Total	<u>592,593</u>

Provisions

- 3.22 The following provisions were made in the Council's accounts in 2017/18 for liabilities due in 2018/19.

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

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

Core Grants and Funding

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

Core Grants and Funding 2018/19	£
Council Tax	5,169,071
Retained Business Rates	4,985,318
Discretionary Business Rates Relief Scheme	49,000
New Homes Bonus	2,701,973
Collection Fund Surplus	55,000
Total Funding	<u>12,960,362</u>

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

3.26 The latest projection regarding Business Rates has been updated and is shown in the table below. This shows that additional business rates retained are projected to be £100k (£5,085k - £4,985k) greater than estimated. The projection of £5.08m includes the additional £1m retained from the Business Rates Pilot in 2018/19 which has previously been set-aside for economic regeneration projects.

	Estimate £'000	Projection £'000
Approved Precept	13,338	13,338
Tariff paid to Derby City Council	-8,242	-8,242
S31 Grants - Business Rates Relief	1,020	1,020
Transitional Protection Payments	0	100
Payment to Derbyshire Pool	-825	-825
Business Rates surplus / deficit (-) 2018/19	0	-395
Net amount received in retention system	5,291	4,995
Declared deficit 2017/18	-306	-306
Reversal of deficit 2018/19	0	395
Total Business Rates Retained	4,985	5,085

THE COLLECTION FUND

3.27 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and Preceptors on the Fund, including this Council.

3.28 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, in proportion to precepts levied each year. The projected position on the Fund for 2018/19, based on transactions up to 31st December 2018, is detailed in **Appendix 1**.

3.29 This shows that the projected surplus balance on Council Tax is approximately £1,776k, with a projected deficit balance of approximately £219k on Business Rates.

Council Tax

- 3.30 The projected balance at the year-end is approximately £1,776k compared to the budget estimate of £1,453k. This is due to the continuing increase in the tax base (number of properties).
- 3.31 The budget was based on a Tax Base of 32,467 Band D equivalent properties (after exemptions and discounts) with the total number of dwellings on the valuation list numbering 42,994. At the end of September 2018, the actual Tax Base reported to Central Government amounted to 33,302 (+ 835) with the overall number of properties at 43,964 (+ 970). The final Tax Base and comparisons to the budget will be reported in quarter 4 after.
- 3.32 During the Budget Round for 2018/19, the Council declared a surplus on the Collection Fund of £500,000 and this is being paid to Preceptors in the current financial year as shown in Appendix 1. It is anticipated that income will continue to increase with further residential development.
- 3.33 The Precepts are fixed payments for the year. The only other variable is the provision for bad debts which is calculated at the year-end. Even allowing for any further increase in the estimated amount, there will be a continuing surplus on Council Tax. The Council's share is approximately 11% in 2018/19.

Business Rates

- 3.34 The majority of appeals lodged by local businesses with the Valuation Office from the 2010 Valuation have now been settled. Large provisions are still required in the accounts for the remaining outstanding 2010 appeals plus any new appeals lodged after the 2017 Valuation.
- 3.35 The deficit on the Fund is being charged back to the General Funds of the Preceptors in 2018/19, 50% of this is met by the Council. The deficit is likely to be lower than forecast in 2018/19, although this will depend on the outcome of appeals and any additional appeals that may be lodged arising from the latest Valuation.
- 3.36 As Appendix 1 shows, receipts are currently lower than forecast but this is anticipated to rise by the end of 2018/19 due to a growth in the Tax Base, together with increases arising from the 2017 Rating Valuation.
- 3.37 The Council's share of the projected Fund deficit in 2018/19 (at 50%) is approximately £395k (£791k * 50%) as shown in the table in 3.24

GENERAL FUND SUMMARY

- 3.38 A summary of the actual spend versus the current Base Budget is listed below and takes into account the projected increase in Business Rates plus the costs incurred that can be covered by contingent sums.

	£
Projected Variance to Budget	-105,475
Projected Additional Business Rates Retained (paragraph 3.24)	-100,000
Expenditure Absorbed in Contingent Sums:	
Rateable Value Finder	-100,000
Public Buildings Repairs	-18,000
DMA Review Costs	-25,000
Projected Variance	-348,475

HOUSING REVENUE ACCOUNT (HRA)

- 3.39 The Council is required to account separately for income and expenditure in providing Council Housing.
- 3.40 The approved HRA Budget for 2018/19 was set with an estimated surplus of £1,098k. This was amended to a surplus of £293k as reported in the MTFP in October 2018.
- 3.41 Reductions to the surplus were due to increases in the valuation of dwellings which has resulted in a higher depreciation charge. The capital expenditure inclusive of debt repayment must equal the depreciation charged in year under legislation regarding HRA self-financing.
- 3.42 The position on the HRA as at December 2018 is summarised in the following table.

Summary HRA 2018/19	BUDGET	PROJECTED	PROJECTED
	ACTUAL	VARIANCE	
	£000	£000	£000
Total Income	-12,626	-12,573	53
Contribution to Capital & New Build	2,543	2,543	0
Responsive & Planned Maintenance	3,143	2,835	-308
Interest on Debt	1,798	1,688	-110
Supervision & Management	1,907	1,896	-11
Supported Housing & Careline Services	795	794	-1
Provision for Bad Debts	100	100	0
Provision for Debt Repayment	1,992	1,992	0
Asset Replacement Contribution	45	45	0
Contingent Sums	11	11	0
Surplus	-293	-670	-377

- 3.43 The above table shows that overall the HRA is projected to show an increased surplus of £670k which is £377k more than the revised budget. The main variances are shown in the following table.

	£'000
Salary savings (vacancies, maternity etc.)	-182
Repairs & Maintenance	-135
Interest Charges less than estimated	-110
Materials Spend	-70
Additional Careline Income	-28
Insurance Claim Settlement	-26
Vehicle Hire	9
Reduced Rent due to Right to Buy	53
Agency and Consultancy Staff	110
Other Variances (net)	2
TOTAL - OVERALL PROJECTED VARIANCE	-377

- 3.44 The main variances are due to vacant posts partially offset by agency and consultants to support services, reduced materials and repairs spend due to contract expiry.
- 3.45 Variable rate interest charged is lower than budgeted and is expected to continue at a lower rate for the remainder of the year. The budget is based on an interest rate of 3.0% but the actual charged on the variable element is 0.79%.
- 3.46 An insurance claim for a Council house fire in Melbourne during 2017/18 has now been settled. The costs of the fire were incurred in last financial year (2017/18) with income reclaimed in 2018/19.
- 3.47 As noted within the MTFP reported in October, the reduced rental income due to Right to Buy is having an impact as the reduction is at a greater rate than budgeted. This is being partially offset by the increased contribution towards Careline during the year but is still a big risk to the HRA.

CAPITAL EXPENDITURE and FINANCING 2018/19

- 3.48 The Capital Programme for 2019/20 was approved by the Committee in February 2019.
- 3.49 Progress in 2018/19 across the main projects and schemes in the updated programme is shown in the following table.

Capital Spending 2018/19 (as at December 2018)	Approved Budget £	B/fwd 2017/18 £	Updated Budget 2018/19 £	Spend to-date £
Council House Capital Works	2,118,000	0	2,118,000	980,614
New Build Schemes	751,513	0	751,513	211,126
Private Sector Housing Works	946,000	792,553	1,738,553	235,456
Environmental and Heritage Schemes	268,948	-8,843	260,105	178,393
Swadlincote Woodlands Nature Reserve	37,000	0	37,000	0
Rosliston Forestry Centre - Play Project	130,000	0	130,000	0
Community Partnership Scheme	250,000	25,988	275,988	35,000
Eureka Park	0	0	0	32,858
Town Hall Windows	0	0	0	15,076
Vehicle Replacements	633,040	614,866	1,247,906	1,120,695
Depot Relocation	0	0	0	46,764
Sale of Land	0	0	0	91,443
Midway Community Centre Extension	0	0	0	2,494
Demolition of Former Depot	0	0	0	64,256
Dellner Factory Premises	0	0	0	2,080
Property Maintenance, Development and Refurbishment	130,000	89,732	219,732	0
Total	5,264,501	1,514,296	6,778,797	3,016,255

Council House Capital Works and New Build Schemes

- 3.50 Major improvement works are currently under review and new tenders are required. Updates to the programme of works are to be reported later in the year. There is likely to be an underspend in this Page 44 of 183 2019 to carry forward into 2019/20.

- 3.51 The final New Build project at Lullington Road is in the early stages and has a funding agreement in place with Homes England. This project is being managed by the Strategic Housing Manager and start on site was in October. The 6 dwellings are to be complete by the end of March 2019.

Private Sector Housing Works

- 3.52 Income received from the Better Care Fund (BCF) in previous years has been carried forward awaiting approval of future schemes. The BCF Board has now approved projects and these have been reported to Housing & Community Services Committee in June 2018.
- 3.53 Expenditure on Disabled Facilities Grants is included within the BCF allocation.

Environmental and Heritage Schemes

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

Leisure and Community Schemes

- 3.56 Match funding of £18k from Veolia Environmental Trust has been secured for the Swadlincote Woodlands Nature Reserve project and work is set to commence later in 2018/19.
- 3.57 The Rosliston Play Project is on hold until a full review of services at Rosliston Forestry Centre has been undertaken after the transfer back to the Council in April 2018. Any underspend will need to be carried forward into 2019/20.
- 3.58 The capital element of the Eureka Park project is now complete with final funding to be claimed from the HLF.
- 3.59 New windows for the Town Hall have been funded through revenue contributions and earmarked reserves alongside funding from the Swadlincote Heritage Town Centre Scheme.

Vehicle Replacements

- 3.60 Replacement of 8 refuse freighters has now been complete and all 29 vans have been delivered in stages during the year.

Relocation of the Council Depot

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

Other Capital Items

- 3.62 The sale of land costs incurred to-date are for two sites approved for sale by this Committee. These costs will be offset by the capital receipts expected in year.

- 3.63 Demolition of the former Council Depot has been completed after approval by this Committee with a budget allocated of £150k. This is to be funded through the additional capital receipts expected in year from the sale of the site.
- 3.64 Final costs for works at the Dellner Factory site are to be funded by an earmarked reserve set-aside a number of years ago. The works were completed in 2017/18 with final charges being received during 2018/19.

Housing Capital Receipts

- 3.65 There have been 20 council house sales up to 31st December 2018 as shown in the following table. The net amount retained of £1,144,371 has been transferred to the New Build Reserve.

	Sales	Gross Receipts	Less Pooled	Retained	
	£	£	£	£	%
Quarter 1	11	757,300	-77,900	679,400	90%
Quarter 2	6	342,520	-77,900	264,620	77%
Quarter 3	3	278,250	-77,900	200,350	72%
Total	20	1,378,070	-233,699	1,144,371	83%

- 3.66 There have been 2 further sales since December making a total of 22 to-date in 2018/19.
- 3.67 Repayment of a right to buy discount of £17.6k for a sale in a previous year has also been received by the Council. This has been transferred to the New Build Reserve.
- 3.68 A sum of £45k has been received during September 2018 for a deed of release for land at Nettlefold Crescent, Melbourne. This receipt will also be transferred to the HRA New Build Reserve.

General Capital Receipts

- 3.69 There have been two capital receipts totaling £790k in 2018/19 for land at William Nadin Way and Staley Close. The old Depot site on Darklands Road is expected to generate receipts later in 2019.

FINANCIAL and OTHER PERFORMANCE

- 3.70 In addition to the Corporate Plan, the Corporate Resources Directorate also maintain a set of key performance indicators to monitor the progress of its services. These indicators, although more operational, also relate back to the main aims in the Corporate Plan and are contained in the Directorate's Service Plan.
- 3.71 The indicators are maintained to ensure that each service area meets its intended outcomes and is a measure of its success. Several of the indicators are governed by statute. The targets are based on current benchmarks and are designed to improve on previous year's performance.
- 3.72 The indicators for 2018/19, together with progress to December 2018, are detailed in **Appendix 2**. Six indicators are currently behind target, Procurement savings, Council Tax collection rate, Business Rates collection rate, ICT down time, prompt payment of 97% of supplier invoices and FOI responses with detail listed in the Appendix.

Payments to Suppliers

- 3.73 Under the Public Contracts Regulations 2015, the Council is required to publish its speed in processing payments to suppliers. Under the Regulations, the Council should pay all undisputed invoices within 30-days of receipt.
- 3.74 Although there is no specific penalty if this regulation is not complied with, individual suppliers have the right, under Late Payments Legislation, to claim interest on late payments. The rate of interest is 8% above the prevailing Bank of England Base Rate (currently 0.75%).
- 3.75 Overall performance against this indicator is shown in Appendix 3. The Council's detailed performance in 2017/18, together with that to-date in 2018/19, is shown in the following tables.

	<u>No. of Invoices</u>	<u>No. Paid in 30 Days</u>	<u>% Paid in 30 days</u>	<u>No. Paid in 10 Days</u>	<u>% Paid in 10 days</u>
Apr-17	326	317	97.24%	223	68.40%
May-17	448	429	95.76%	313	69.87%
Jun-17	409	380	92.91%	289	70.66%
Jul-17	524	504	96.18%	320	61.07%
Aug-17	549	535	97.45%	381	69.40%
Sep-17	525	457	87.05%	351	66.86%
Oct-17	420	401	95.48%	266	63.33%
Nov-17	627	603	96.17%	464	74.00%
Dec-17	353	339	96.03%	199	56.37%
Jan-18	573	543	94.76%	373	65.10%
Feb-18	458	433	94.54%	324	70.74%
Mar-18	419	411	98.09%	318	75.89%
	5631	5352	95.05%	3821	67.86%

	<u>No of Invoices</u>	<u>No. Paid in 30 Days</u>	<u>% Paid with 30 days</u>	<u>No. Paid in 10 Days</u>	<u>% Paid with 10 days</u>
Apr-18	383	373	97.39%	258	67.36%
May-18	513	496	96.69%	331	64.52%
Jun-18	468	459	98.08%	363	77.56%
Jul-18	446	437	97.98%	276	61.88%
Aug-18	516	473	91.67%	319	61.82%
Sep-18	450	432	96.00%	315	70.00%
Oct-18	552	545	98.73%	380	68.84%
Nov-18	473	463	97.89%	320	67.65%
Dec-18	352	339	96.31%	297	84.38%
	4153	4017	96.73%	2859	68.84%

- 3.76 Standard benchmarks are 97.5% for all invoices to be paid within 30 days and 65% for 10-day payments.

- 3.77 The reduced level of payments within 30 days in August was due to a rise in the number of invoices received accompanied by resource issues over the holiday period. This resulted in finance staff and operational managers not being available within the usual tight time frames to approve and pay invoices. This target is set to be achieved by the year-end and has improved since quarter 2.
- 3.78 The Council did not receive any claims or make any payments for late interest in 2017/18 or to-date in 2018/19.

4.0 Financial Implications

- 4.1 As detailed in the report

5.0 Corporate Implications

- 5.1 None directly

6.0 Community Implications

- 6.1 None directly

7.0 Background Papers

- 7.1 None

APPENDIX 1

COLLECTION FUND MONITORING 2018/19 (as at 31st December 2018)

	Actual 2017/18	Estimated 2018/19	3rd Qtr Projection 2018/19	Notes
	£'000	£'000	£'000	
COUNCIL TAX - INCOME & EXPENDITURE				
INCOME				
Council Tax Collectable	53,295	57,026	57,352	Estimated Increase in Tax Base and Precepts at 7%
EXPENDITURE				
County Council Precept	38,345	41,302	41,302	As approved by Full Council 26th Feb 2018
Police and Crime Commissioner Precept	5,715	6,253	6,253	As above
Fire and Rescue Authority Precept	2,297	2,426	2,426	As above
SDDC Precept	4,942	5,169	5,169	As above
SDDC Parish Precepts	756	773	773	As above
Increase in Bad Debts Provision	-68	570	574	Estimated at 1% of income
Total Expenditure	51,987	56,493	56,497	
Surplus for the Year	1,308	532	855	
COUNCIL TAX BALANCE				
Opening Balance 1st April	613	1,421	1,421	Per Final Accounts 2017/18
Share of Previous Surplus to County Council	-367	-367	-367	As approved by Full Council 26th Feb 2018
Share of Previous Surplus to Police	-56	-56	-56	As above
Share of Previous Surplus to Fire Authority	-22	-22	-22	As above
Share of Previous Surplus to SDDC	-55	-55	-55	As above
Surplus for Year (as above)	1,308	532	855	
Closing Balance as at 31st March	1,421	1,453	1,776	

**Actual Estimated 3rd Qtr
2017/18 2018/19 Projection
2018/19**

BUSINESS RATES - INCOME & EXPENDITURE

£'000 £'000 £'000

INCOME

Business Rates Collectable	24,457	26,635	25,694	Estimate as per NNDR1
Transitional Protection Payments	590	873	873	
Total Income	25,047	27,508	26,567	

EXPENDITURE

Central Government Precept	12,402	0	0	
SDDC Precept	9,922	13,338	13,338	Per NNDR1 Submission
Derbyshire County Council Precept	2,232	13,071	13,071	As above
Fire and Rescue Service Precept	248	267	267	As above
Cost of Collection	91	91	91	As above
Increase in Bad Debts Provision	145	266	257	Estimated at 1% of income
Provision for Appeals	-428	473	334	Estimated at 1.3% of income (forecast is NNDR1)
Total Expenditure	24,612	27,506	27,358	
Surplus / Deficit (-)	435	2	-791	

BUSINESS RATES BALANCE

Opening Balance 1st April	-1,339	-192	-192	Per Final Accounts 2017/18
Transfer of Previous Year's Surplus (-) / Deficit	356	382	382	Per NNDR1 Submission
Transfer of Previous Year's Surplus (-) / Deficit	285	306	306	As above
Transfer of Previous Year's Surplus (-) / Deficit	64	69	69	As above
Transfer of Previous Year's Surplus (-) / Deficit	7	7	7	As above
Surplus / Deficit (-) for the Year as above	435	2	-791	
Closing Balance as at 31st March	-192	574	-219	

Corporate Plan Aim	Measure	Annual target 2018/19	Performance as at December 2018
Maintain financial health	Deliver a balanced budget in accordance with the statutory timetable	Balanced budget agreed by the Council on 27 th February 2019	Not due until the 4 th Quarter <i>(Note: Full Council approved the Budget on 27th February 2019)</i>
Maintain financial health	Produce regular budget monitoring information	Performance against budget reported to the Council on a quarterly basis	Completed
Maintain financial health	Through better procurement, generate budget savings directly or through supporting other services	Total cashable savings cover the costs of administration and management, estimated at £30,000 for 2018/19	Procurement exercises in the year have related to Capital replacements and one-off projects. No major retendering of on-going supplies and services included in the Base Budget have been undertaken.
Maintain financial health	Collection of Council Tax	In-year Collection Rate of at least 98%	A slight improvement to 0.4% under target at Q3 but expected to be on target by year-end
Maintain financial health	Collection of Business Rates	In-year Collection Rate of at least 98%	1.77% under target due to major changes in Rateable Value and bills at Drakelow following the reassessment of a single property into 22 separate units creating an additional £477k of rates collectable
Maintain financial health	Housing Benefit Subsidy Local Authority Error Rate is below target threshold set by the DWP	Less than 0.48%	Not due until 2019
Maintain financial health	Arrears for Council Tax, Business Rates and Housing Benefit Overpayments	Reduction in the annual Provision for Bad Debts	Not due until 2019
Maintain financial health	Identification of Fraud	Value of fraud identified meets service costs of £35,000 of 83	Target met £96k achieved to-date (compared to £88k in 2017/18)

Maintain financial health	Lettings of Industrial and Commercial Properties	Achieve 90% occupancy of all units and less than 10% of properties with rent arrears greater than 3 months	98.65% of units let and 4.05% arrears greater than 3 months
Maintain financial health	Income from Land Searches	Service breaks-even	Due to additional income, a surplus of £8k is currently being achieved
Good Governance	Produce a draft set of Accounts and Financial Statements for Annual Audit and Inspection	31st May 2018	Completed
Good Governance	Completion of Approved Internal Audit Plan and outcomes reported to the Audit Sub-Committee	At least 90% completed (<i>this is monitored by the Audit Sub-Committee</i>)	On track. Audit Plan agreed and jobs allocated as reported to the Audit Sub-Committee on 13th February 2019
Customer Focus	Minimise downtime of IT	Downtime is less than 1% over the year	0.75% downtime in Q1, 2.1% downtime Q2, 0.86% downtime in Q3 resulting in YTD figure of 1.2%. Each month remains around 0.7% however high figures in August (4%) and November (2.1%) has had an effect on the overall total. Issue: Firewall updates took place which blocked the internet connection, though the network remained active. Virtual desktop server errors, as they have done all year, contribute to the majority of issues. Virtual desktops are being decommissioned by December 2019.
Customer Focus	Prompt payment of invoices for goods and services	97% of undisputed invoices paid within 30 days	4,017 invoices from a total of 4,153 (96.7%) were paid within 30 days due to a large influx of invoices during the holiday period in August. This will be on target by year-end.
Customer Focus	Prompt payment of invoices for goods and services	65% paid within 10 days for local suppliers	68% (2,859 invoices) were paid within 10 days
Customer Focus	Freedom of Information requests answered within the statutory time limit	98% of requests satisfactorily answered with 20 days	As reported to the Committee in November 2018, 92% and 95% were answered in the six months to September 2017 and September 2018 respectively

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	14th MARCH 2019	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: s/finance/committee/2018-19/Mar 19
SUBJECT:	TREASURY MANAGEMENT UPDATE 2018/19	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendation

- 1.1 That the latest Treasury Management Update for quarter 3 2018/19 as detailed in **Appendix 1** is considered and approved.
- 1.2 That the updated Counterparty List for investments and bank deposits as detailed in **Appendix 2** is approved. This has been updated to increase the Debt Management Office (DMO) limit, as detailed in Appendix 1.

2.0 Purpose of the Report

- 2.1 To provide an update on the Council's treasury management activities for the third quarter of 2018/19.
- 2.2 To provide an update on external economic factors and how these may affect treasury management in the future.

3.0 Financial Implications

- 3.1 As detailed in the report

4.0 Corporate Implications

- 4.1 None directly

5.0 Community Implications

- 5.1 None directly

6.0 Background Papers

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



**South
Derbyshire
District Council**

Treasury Management Report Q3 2018/19

Introduction

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

The Authority's treasury management strategy for 2019/20 was approved at a meeting of the Authority on 14th February 2019. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice. Additionally, in England MHCLG published its revised Investment Guidance which came into effect from April 2018.

The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority has produced its Capital Strategy which was approved by full Council on 17th January 2019.

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

External Context

Economic background

After rising to over \$80/barrel around the middle of the year, oil prices fell back sharply by 25% to just over \$60 in December. UK Consumer Price Inflation (CPI) for November was up 2.3% year/year, in line with the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for the three months to October 2018 showed the unemployment rate remained at 4.1% while the employment rate of 75.7% was the joint-highest estimate since comparable estimates began in 1971. The 3 month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level likely to only have a modest impact on consumer spending.

The rise in quarterly GDP growth to 0.6% in the third calendar quarter from 0.4% in the second was due to weather-related factors boosting overall household consumption and construction activity over the summer. At 1.5%, annual GDP growth continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in November while lowering its forecast of rate rises in 2019 to two from the three previously projected.

A temporary truce in the ongoing trade war between the US and China was announced as the leaders of both countries agreed to halt new trade tariffs for 90 days to allow talks to continue. Tariffs already imposed will remain in place. The fallout continues to impact on economic growth and stock market volatility.

With less than a month until Article 50 expires on 29th March 2019, the Brexit deadlock continues and time is running out for a deal to be finalised. This ongoing uncertainty continues to weigh on sterling and UK markets.

Using its "Henry VIII" powers under the European Union (Withdrawal) Act 2018 to alter legislation without consultation, the government is changing which pooled funds are capital expenditure for local authorities in England. If the legislation is not further amended, then the vast majority of money market funds and other pooled funds will become capital expenditure when the UK leaves the EU. Funds operated by CCLA and Federated are not affected by this change. Arlingclose are in discussion with MHCLG about further amendments to these rules but cannot guarantee that any changes will be effective before Brexit.

Financial markets

Investors wrestled with a range of global concerns: an economic slowdown in China, rising trade tensions between the US and China, a sharply lower oil price, slowing Euro area output and, of course, the ongoing uncertainty surrounding Brexit. December was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned -8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. But spreads on corporate bonds also widened reflecting concerns about tougher economic conditions ahead and the abilities of corporates to service their debt obligations.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising to 1.30% in October, gilts regained their safe-haven status in December - the 5-year benchmark gilt yield fell as low as 0.82% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.59% to 1.06% and from 2.05% to 1.62%. The higher Bank Rate continued to push up money markets rates. 1-month, 3-month and 12-month LIBID rates averaged 0.58%, 0.76% and 1.03% respectively over the period.

Credit background

Credit Default Swap (CDS) spreads drifted up over the period, reflecting the ongoing uncertainty around Brexit but continuing to remain low in historical terms. The spread on non-ringfenced bank NatWest Markets plc rose sharply to around 129bps while for the ringfenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 44bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 44 and 94 bps at the end of the period.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) is complete and the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) continues prior to starting trading as separate entities from 1st January 2019.

The Bank of England released its latest report on bank stress testing, illustrating that all entities tested were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

There were minimal credit rating changes during the period. Moody's revised the outlook on Nationwide Building Society to negative from stable as it believes Nationwide may become more reliant on retail deposit funding going forward, reducing the volume of wholesale deposits and senior debt available to a level where only a two-notch uplift is warranted rather than the current three notches.

Our treasury advisor Arlingclose will continue to provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in. Arlingclose's creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

Local Context

On 31st March 2018, the Authority had net borrowing of £29.86m arising from its revenue and capital income and expenditure. This fell to £12.1m by the end of quarter 3. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Debt outstanding is split between the HRA and General Fund and this represents the 'two pool' approach adopted for debt management.

Capital Financing Requirement (CFR)

	31.3.18 Actual £'000	30.06.18 Actual £'000	30.09.18 Actual £'000	30.12.18 Actual £'000
<u>Housing Revenue Account</u>				
Debt Outstanding	57,423	57,423	57,423	57,423
Capital Financing Requirement (CFR)	61,584	61,584	61,584	61,584
Statutory Debt Cap	66,853	66,853	66,853	N/A *
Borrowing Capacity (Cap less Debt Outstanding)	9,430	9,430	9,430	N/A *
<u>General Fund</u>				
Debt Outstanding	0	0	0	0
Capital Financing Requirement (CFR)	5,653	5,653	5,653	5,653
Borrowing Capacity (Cap less Debt Outstanding)	5,653	5,653	5,653	5,653
Total Capital Financing Requirement (CFR)	67,237	67,237	67,237	67,237

* In his Autumn 2018 Budget Statement, the Chancellor confirmed the abolition of the HRA Debt Cap with effect from 29th October 2018.

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

The overall treasury management position at 31st December 2018 and the change in the quarter is show in the table below.

Treasury Management Summary

	31.03.18 Balance £'000	30.06.18 Balance £'000	30.09.18 Balance £'000	Q3 2018 Movement £'000	31.12.18 Balance £'000
Long-term borrowing	57,423	57,423	57,423	0	57,423
Short-term borrowing	28	28	28	0	28
Total borrowing	57,451	57,451	57,451	0	57,451
Long-term investments	1,000	1,000	2,000	0	2,000
Short-term investments	23,500	25,000	30,500	9,500	40,000
Cash and cash equivalents	3,092	4,084	4,546	(1,164)	3,382
Total investments	27,592	30,084	37,046	8,336	45,382
Net borrowing	29,859	27,367	20,405		12,069

Borrowing Activity

At 31st December 2018 the Authority held £57.4m of loans. These loans were taken out by the Authority in 2011/12 for the purpose of HRA self-financing. The principal element of these loans is repayable in full on maturity, with interest being paid each March and September.

The short-term borrowing of £28k relates to deposits received from two Parish Councils within the District. These loans can be recalled on immediate notice. Interest is calculated at the Bank of England Base Rate, less 1%. No interest is currently being paid due to the Base Rate being less than 1%.

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

Borrowing Position

Loan Profile	Type	Value £'000	Rate %	Maturity
Public Works Loan Board	Variable	10,000	0.79	2021/22
Public Works Loan Board	Fixed	10,000	2.70	2023/24
Public Works Loan Board	Fixed	10,000	3.01	2026/27
Public Works Loan Board	Fixed	10,000	3.30	2031/32
Public Works Loan Board	Fixed	10,000	3.44	2036/37
Public Works Loan Board	Fixed	7,423	3.50	2041/42
Total Long-term borrowing		57,423		
Short-term Parish Council Loans		28	0.00	
Total borrowing		57,451		

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

Treasury Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balance ranged between £37m and £47m due to timing differences between income and expenditure. The investment position during the quarter is shown in the table below.

Treasury Investment Position

	31.03.18 Balance £'000	30.06.18 Balance £'000	Q1 Rate of Return %	30.09.18 Balance £'000	Q2 Rate of Return %	31.12.18 Balance £'000	Q3 Rate of Return %
Banks (unsecured)	3,092	4,084	0.23	4,546	0.35	3,382	0.55
Local Authorities	18,000	20,000	0.62	21,000	0.71	27,000	0.74
Debt Management Office	1,500	1,000	0.27	3,500	0.50	3,000	0.50
Money Market Funds	4,000	4,000	0.48	6,000	0.62	10,000	0.72
CCLA Property Fund	1,000	1,000	4.16	2,000	4.21	2,000	4.31
Total investments	27,592	30,084		37,046		45,382	

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

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

The Authority is now participating in the Arlingclose quarterly investment benchmarking exercises. This will enable us to measure our investment portfolio against other similar Local Authorities. The table below is an extract from Arlingclose's benchmarking, and shows the risk and return metrics as at the end of quarter 3.

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.12.2018	3.93	AA-	31%	92	0.71
Similar LAs	4.22	AA-	59%	77	0.81
All LAs	4.24	AA-	58%	34	0.81

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

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

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

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

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

The Authority deposited £1m in the CCLA Property Fund on 28th September 2017, with the investment purchasing 317,985 units at an offer price of 314.48p per unit. Following member approval, the Authority subsequently deposited a further £1m in the fund on 28th August 2018, with this investment purchasing 308,261 units at an offer price of 324.40p per unit.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed.

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

CCLA Property Fund Performance

		2017/18	2018/19	2018/19	2018/19
		Q4	Q1	Q2	Q3
Dividend Received	£	10,215	10,432	13,871	20,782
Annual Equivalent Interest Rate	%	4.09%	4.16%	4.21%	4.31%
Bid (Selling) Price	pence/unit	297.33	298.90	298.97	303.75

Performance Indicators

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

	As at 30.06.18	As at 30.09.18	As at 31.12.18
Average 7-Day Money Market Rate (Target)	0.49%	0.57%	0.62%
Average Interest Rate Achieved on Short Term Deposits	0.55%	0.63%	0.71%

Compliance

The Chief Finance Officer is pleased to report that all treasury management activities undertaken during quarter 3 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

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

Investment Limits

	Maximum Investment during Q3 £m	Maximum Invested per Counterparty £m	Limit	Maximum Term	Complied
Debt Management Office	£5m	£5m	£15m in total	364 days	✓
Other Local Authorities	£28m	£5m	£5m per Authority	364 days	✓
Money Market funds	£10m	£2m	£10m total, £2m per fund	60 days	✓
CCLA Property Fund	£2m	£2m	£2m	Indefinite period	✓
Named Counterparties (HSBC/Lloyds/BOS/Close Bros/Santander)	£1.95m	£1.95m	£2m per Bank	6 months	✓
Named Counterparties (Barclays/Goldman Sachs/NatWest/RBS)	£1.76m	£1.76m	£2m per Bank	100 days	✓
Named Counterparties (Nationwide/Coventry)	0	0	5% of total deposits	6 months	✓
Named Counterparties (Leeds Building Society)	0	0	5% of total deposits	100 days	✓
Foreign Counterparties	0	0	AAA rated - £1m per Bank	1 month	✓
Independent Building Societies	0	0	£1m per Society	100 days	✓

Outlook for the remainder of 2018/19

Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.

The MPC has a bias towards tighter monetary policy as its members consider that tight labour markets will prompt inflationary pressure in the future, ultra-low interest rates result in other economic problems, and higher Bank Rate will be a more effective policy weapon if downside risks to growth crystallise.

Arlingclose's central case is for Bank Rate to rise twice in 2019, after the UK exits the EU. However, recent events around Brexit have dampened interest rate expectations and the risks are weighted to the downside. The potential for severe economic outcomes has increased following the poor reception of the Withdrawal Agreement by MPs. The Bank of England will hold at or reduce interest rates from current levels if serious Brexit risks materialise.

Recommendations

On 19th December 2018, the government laid the Local Government (Miscellaneous Amendments) (EU Exit) Regulations 2018 before Parliament. This legislation changes which pooled funds are classed as capital expenditure for local authorities in England. If the legislation is not further amended, then the vast majority of money market funds and other pooled funds will become capital expenditure when the UK leaves the EU. Purchases of a capital expenditure fund will result in an increase in the capital financing requirement (CFR) and hence a liability for minimum revenue provision (MRP) unless otherwise funded. Government guidance is to make MRP on shares over a 20-year asset life, which is a revenue cost that is likely to be in excess of the revenue income from the investment.

The Council currently holds 4 money market funds that are domiciled in either Luxembourg or Dublin, and are therefore affected by this change. We currently have £8m invested across these 4 funds. Arlingclose are in discussion with MHCLG about further amendments to these rules but cannot guarantee that any changes will be effective before Brexit.

As a contingency measure, we recommend that the Counterparty Limit for deposits with the UK Debt Management Office (DMO) is extended to £20m. This provides the Council with the facility to deposit additional funds with the DMO that would have otherwise been deposited in money market funds. The Council is also exploring the option of opening additional deposit accounts with banking providers already on its approved Counterparty List to provide a range of investment options.

COUNTERPARTY LIST 2018/19
(As at March 2019)

Institution	Limit	Maximum Term
<u>Specified Investments</u>		
<ul style="list-style-type: none"> UK Debt Management Office (DMO) 	£20m	364 Days
<ul style="list-style-type: none"> Local, Police, Fire and Parish Authorities 	£5m with any one Authority	364 Days
<u>Non Specified Investments</u>		
<i>Named Counterparties</i>		
<ul style="list-style-type: none"> CCLA LAMIT Property Fund 	£2m	Indefinite period, subject to quarterly review
<ul style="list-style-type: none"> Money Market Funds 	£10m in total and £2m with any one Fund	60 days
<ul style="list-style-type: none"> HSBC Lloyds Bank Plc Bank of Scotland Standard Chartered Bank Close Brothers Santander UK 	£2m with any one Bank	6 months
<ul style="list-style-type: none"> Barclays Bank NatWest Bank Royal Bank of Scotland Ulster Bank Ltd Goldman Sachs International 	£2m with any one Bank	100 days
<ul style="list-style-type: none"> Nationwide Building Society Coventry Building Society 	5% of total deposits	6 months
<ul style="list-style-type: none"> Leeds Building Society 	5% of total deposits	100 days
<i>Foreign Counterparties</i>		
<ul style="list-style-type: none"> AAA rated institutions (<i>subject to separate approval by the Section 151 Officer</i>) 	£1m with any one Bank	1 month
<i>Independent Building Societies</i>		
<ul style="list-style-type: none"> <i>subject to separate approval by the Section 151 Officer</i> 	£1m with any one society	100 days

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	14th MARCH 2019	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	MALCOLM ROSEBURGH X 5774 MALCOLM.ROSEBURGH@SOUTHDERBYSHIRE.GOV.UK	DOC:S/LEISURE/MIDWAY/COMREPS/F&M MARCH19
SUBJECT:	MIDWAY COMMUNITY CENTRE – BUDGET AND FORWARD PLANS	
WARD(S) AFFECTED:	MIDWAY	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That a budget of £20,217 in 2019/20, £20,622 in 2020/21 and £21,034 in 2021/22 is approved in order to continue Council management of Midway Community Centre.
- 1.2 That members note forward plans for the centre in relation to infrastructure and community engagement.
- 1.3 That the “windfall” Capital Receipt received from the original development is earmarked to fund the outline works identified in the report and that the detailed costs are reported back to the Committee when finalised.

2.0 Purpose of the Report

- 2.1 To update members on activity at Midway Community Centre since its handover to the Council from developers in September 2016.
- 2.2 To seek approval for a three-year budget to continue Council management of the facility.
- 2.3 To seek approval for continuation of plans to improve infrastructure and community engagement at the site.

3.0 Executive Summary

- 3.1 None required.

4.0 Detail

- 4.1 Members approved a three-year revenue budget for the Council to manage a new community facility at Chestnut Avenue, Midway in February 2016. The new facility was named Midway Community Centre and after handover from the developer (Strata Homes) was officially opened on 28 October 2016.

- 4.2 The February 2016 Committee report acknowledged that it was imperative that the Council was adequately resourced to manage the new facility from the outset but stated that the long-term ambition for the Council was that once opened representatives from the community would come forward and wish to manage the facility for themselves.
- 4.3 To assist with the ambition to realise community ownership of the building South Derbyshire Council for Voluntary Services (SDCVS) was engaged to undertake community development and ascertain community needs and local interest in some form of management of the facility.
- 4.4 To this end SDCVS implemented a project plan that has involved researching and making contact with potential community activists and agencies. It undertook two surveys of local residents, held drop-in sessions, public meetings and a celebration event. It has also set up a positive activities committee rebranded as Midway Liaison group made up of interested local people and agencies active in the area.
- 4.5 Despite the above work and the initial intelligence that suggested there were individuals present in the community willing to be active in running activities and helping to manage the facility substantial community support has not been forthcoming.
- 4.6 Although community management of the facility appears some way off there are some successes in community engagement with the impending start of both a youth club and a community café that are set to be run by local volunteers.
- 4.7 There are other successes in terms of activity at the centre with the building being used five days a week from 7am to 3pm by Little Sparkles Day Nursery; used at weekends by adult and junior football teams during the football season; used on weekday evenings for dance classes, martial arts classes and creative arts classes for young people and at other times for occasional bookings such as private parties or meetings.
- 4.8 The transition from an original dilapidated site with no community involvement to a new facility sited in the same area but managed in some way by the local community was always going to present some difficulties. The site has suffered from significant anti-social behaviour manifested in poor conduct from some young people and persistent littering and dog fouling. This has been combatted by a combination of approaches including positive interventions for young people, enforcement, increased security and multi-agency working.
- 4.9 The plan for Council Officers across different units, SDCVS and attendees of the Midway Liaison Group is to continue to work towards increased community engagement and ownership of the new facility. However, in recognition of the difficulties experienced to date and indeed incumbent in virtually any transfer of a community asset it appears sensible to request a budget for the Council to manage the facility for a further three years. A three-year budget allows a much more realistic timescale to undertake the kind of community development work required to undertake an effective “asset transfer” at this site.
- 4.10 The proposed budget is based on experience of running the site and is attached as Appendix 1. Years two and three of the budget show an inflationary rise of 2% on salary, repairs and income budget lines but leave other budget lines the same pending a more thorough review [Page 67 of 88](#) annual budget process.

- 4.11 In addition to the plans to continue community development at the site there are also plans to improve site infrastructure. The physical constraints on the site, original budget to build the facility and limited ability to affect end design has meant that the building as is has been compromised in relation to storage and flexibility of use. This is a significant hindrance in allowing more than one booking at a time and associated income generation.
- 4.12 In an attempt to improve matters consultants have been engaged to design added storage and combine this with an additional entrance that would enable separate functions to be held at the same time. Planning approval is currently being sought and approval for the scheme will be subject to a future report to this Committee.
- 4.13 The quality of the football pitches at the site has not matched initial expectations with wear, standard of the surface and drainage all less than satisfactory. Requirements to bring the pitches up to the necessary standard are being followed up and as with the potential storage and entrance solution will be subject to a future report to Committee.

5.0 Financial Implications

- 5.1 The revenue cost outlined in Appendix 1 is a best estimate based on operational experience to date although its accuracy will continue to be somewhat dependant on to what extent use of the facility is taken up by the local community.
- 5.2 A budget of approximately £20,000 was approved for 2019/20 following the ending of the previous three-year funding that had been included in the Base Budget pending the transfer of the facility. On-going costs in 2020/21 and 2021/22 have also been provisionally included the Medium Term Financial Plan approved by the Committee in February.
- 5.3 There will be financial implications resultant on any improvements to the site infrastructure but these will be the subject of separate reports. As previously reported, a “windfall” receipt of just over £700,000 from the original development remains uncommitted in the General Capital Receipts Reserve. It is recommended that this sum is used to pay for the additional works.

6.0 Corporate Implications

Employment Implications

- 6.2 Part of the requested budget is to continue the employment of a part-time caretaker at the site.

Legal Implications

- 6.1 The nature of any community involvement in the future management of the facility or indeed any eventual asset transfer would need to be the subject of legal scrutiny and appropriate formal legal documentation.

Corporate Plan Implications

- 6.2 Continued effective management of the site and attempts at community engagement fit with the People and Place themes of the Corporate Plan.

Risk Impact

- 6.3 Risk is primarily to the Council's reputation should the site not be managed effectively and promises to engage in community development and community "ownership" not be honoured. The proposed budget and forward planning mitigates against this risk.

7.0 Community Impact

Consultation

- 7.1 Consultation with the local community and agencies active therein is at the heart of work to date and at the forefront of future plans. The outcomes of community consultation will inform both activity at the centre and future plans in relation to any asset transfer or form of community management of the facility.

Equality and Diversity Impact

- 7.2 Midway Community Centre supports community activity in an area with higher than average indices of multiple deprivation and as such has a positive impact on equality and diversity.

Social Value Impact

- 7.3 None in terms of procurement but the ongoing presence of Midway Community Centre and its activities positively contributes to the long-term wellbeing and resilience of individuals and the local community.

Environmental Sustainability

- 7.4 No impact.

8.0 Conclusions

- 8.1 An approved three-year budget to manage Midway Community Centre will allow a reasonable timescale to consolidate activity at the site and engage in further community development in an attempt to realise the long-term ambition for the Council to have increased community involvement in managing the facility.

- 8.2 Planned investigations into potential improvements to site infrastructure continue to be pursued.

9.0 Background Papers

- 9.1 Chestnut Avenue Community Facility – Report to Finance and Management Committee on 18 February 2016.

Appendix 1

Midway Community Centre 3 Year Budget 2019/2022

	2019/20	2020/21	2021/22
Salaries - Basic Pay	6,474	6,603	6,736
Salaries - National Insurance	0	0	0
Salaries - Superannuation	893	911	929
Apprenticeship Levy	22	22	23
Advertising Costs	0	0	0
Enhanced Pension	605	617	629
Insurance - Employee	39	40	41
R & M of Fix & Fit - General	4,722	4,816	4,913
R & M of Build Health & Safety	1,500	1,530	1,561
Electricity	900	900	900
Gas	800	800	800
Business Rates	8,568	8,568	8,568
Water Services - Metered	600	600	600
Refuse Collection	0	0	0
Tools and Equipment - Purchase	2,700	2,700	2,700
Printing	0	0	0
Non Staff Advertising	400	400	400
Services - General Licences	200	200	200
Public Liability Insurance	374	374	374
Recharge - Trade Waste	420	420	420
Fees - Other	(9,000)	(9,180)	(9,364)
	20,217	20,322	20,429

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	14th MARCH 2019	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	EXEMPT PARAGRAPH NO:
MEMBERS' CONTACT POINT:	DAVID CLAMP 01283 595729 David.clamp@southderbyshire.gov.uk	DOC:
SUBJECT:	HEALTH AND WELLBEING INITIATIVES	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM05

1.0 Recommendations

- 1.1 That health and wellbeing initiatives are progressed to promote healthier lifestyles within the Councils' workforce and across the community.
- 1.2 That the promotion of the Five Ways to Wellbeing (5WTWB), with support from public sector partners, is maintained to raise awareness of and support for people with mental health conditions.
- 1.3 That the impact of any interventions are monitored and analysed with performance information presented to the appropriate Committee in line with the existing corporate performance management framework.

2.0 Purpose of the Report

- 2.1 To provide an overview of the work being progressed to improve the health and wellbeing of employees and the community through the promotion of internal and external activities. A particular internal focus has centred on mental health and musculoskeletal issues that are the highest reasons cited for absence across the Councils' workforce.
- 2.2 The work includes supporting the Five Ways to Wellbeing (5WTWB) initiative which is a nationally recognised programme consisting of five simple messages aimed at improving individuals' mental health. It is based on the principle of being able to incorporate small changes to people's daily routine to improve their mental health. This is a key aim of the Derbyshire Health and Wellbeing Strategy 2018-23; 'Our lives, Our Health' and the outcome that all people in Derbyshire are enabled to have good mental health and wellbeing throughout their lives.

3.0 Detail

- 3.1 Providing a healthy work environment that enables employees to perform effectively and have support when they have either a physical or mental health condition is vital to maintain high levels of service for the community. The Council has in place a range of supporting resources and access to information supported by employment practices that enable managers and employees to put in place different working arrangements to promote an appropriate balance to work and personal responsibilities.
- 3.2 This includes regular monitoring of absences from work due to ill-health with an annual report considered by this Committee at its meeting held on 14th June 2018. Owing to the increased level of sickness absences a number of actions were approved to improve levels of attendance across the workforce.

Improving Attendance Working Group

- 3.3 An internal joint working group has been established to move forward a number of actions to improve levels of attendance. Chaired by the Strategic Director (Service Delivery) other attendees include representatives from UNISON, Unite the Union and GMB with professional advice and support provided by the Head of Organisational Development.
- 3.4 A number of different work streams have been progressed that include;
- A review of the Attendance Management Procedure with a number of proposals to further develop the framework used across the Council. This has been submitted to the Trade Unions for consideration. This includes the use of supporting information for managers and employees to have structured discussions around conditions related to mental health which are based on resources developed by the charity, Mind.
 - Worked with the Public Health Team at Derbyshire County Council to access funding to provide mental health awareness training sessions for managers and staff.
 - Three Mental Health First Aiders have been trained and can be contacted by any member of staff for a confidential discussion to obtain support and information concerning their own mental health or that of colleagues/family members.
 - A dedicated site established on the Council's intranet that provides information concerning health and wellbeing. <http://sddcintranet/index.php/work-and-pay/217-wellbeing>
 - 'Time to Talk' initiative that includes supporting the national campaign to end mental health discrimination in the workplace and services.
 - Training provided for managers and staff in stress awareness and attendance management.

- Health and Safety awareness training has been provided with a bespoke programme developed for employees who undertake manual handling as a regular feature of their role.

Five Ways to Wellbeing (5WTWB) – Promoting good mental health

3.5 Mental health is becoming an increasing issue for many people with one in four adults likely to suffer from some form of mental illness in their lives. The 5WTWB is a nationally recognised programme consisting of five messages aimed at improving the mental health of people. These are;

- **Taking Notice** – making the time to appreciate the world around us.
- **Connect** – with other people to help boost your mood and connect to the wider world
- **Be Active** – improving physical health having a positive impact on mental health
- **Keep Learning** – Learning new skills to boost confidence and give a sense of achievement
- **Give** – Helping others can to improve self-esteem and wellbeing.

3.6 Working with the Public Health Team at Derbyshire County Council, a campaign has been developed to raise awareness of 5WTWB that has included;

- Presentations being provided at a number of staff team meetings
- Communication and information on 5WTWB being made available on the Council's intranet, on internal staff noticeboards and the information screen in the reception area to raise awareness with the wider community.
- Accessing medical resources to provide a range of health checks such as weight, cholesterol levels, Body Mass Index (BMI), blood pressure etc. for front-line workers
- Working with local and county partners to promote 5WTWB as part of the wider Derbyshire Health and Wellbeing Strategy.
- Provision of information relating to improving back care at work developed by a NHS partner.

Further work

3.7 It is important to recognise that health and wellbeing is a very broad area to address not only in the workplace but also for people generally. Changes to cultures and behaviours will be required to ensure that people have access to and are able to have confidence to speak about any concerns they are having over their mental and physical health.

- 3.8 As an employer and community leader, the Council has a key role to play in moving forward this agenda to not only support the county-wide and national strategies but also to make the work environment as conducive and inclusive as possible. This could include giving employees options regarding how they work, subject to the needs of the service and to have their health and wellbeing duly considered as an important part of the employee-employer relationship.
- 3.9 In addition to the work already being progressed the following initiatives are to be developed;
- Build the resource of trained Mental Health First Aiders to cover as many service areas as possible.
 - Continue training in Mental Health Awareness for managers and staff.
 - With funding provided by Derbyshire County Council, to establish an internal network for Managers, facilitated by suitably trained mental health practitioners, to discuss and receive further coaching in dealing with mental health.
 - Review employment procedures to enhance the range of flexible working options.
 - Continue to promote 5WTWB with the support of the Public Health Team and other partners.
 - Extend medical screening across the Councils' workforce.
 - Promote community health and wellbeing activities in partnership with the Active Communities and Health Team and other partners .
 - Establish Workplace Health Champions across the Council.
 - Develop the provision of Occupational Health services to include medical screening, preventative medical interventions and increased number of clinics held on site.
 - Review and refresh the information provided on the dedicated health and wellbeing intranet site.
 - Look at different options, with the internal Travel Group established under the auspices of the newly formed Environmental Sustainability Group, at how different travel habits can be encouraged to reduce environmental impact and promote healthier lifestyles.

4.0 Financial Implications

- 4.1 Any costs will be met by existing budgets and in particular around the provision of training for staff. Funding is being provided by Derbyshire County Council in relation to mental health and opportunities to utilise these will be progressed where possible.
- 4.2 Consideration of any additional costs arising from the awarding of a new contract to provide Occupational Health services will be included in the budget for 2020/21.

5.0 Corporate Implications

Employment Implications

- 5.1 Any changes to existing employment procedures will be subject to consultation with the Trade Unions. In particular this relates to any changes concerning the Attendance Management Procedure and options to provide more flexible working options.
- 5.2 Establishing a culture where employees are able to request different working options and feel comfortable raising concerns over their physical and mental not only raises the profile of the Council as an employer it will also support the recruitment, retention and development of talent having a positive impact on the delivery of services for the community.

Legal Implications

- 5.3 None.

Corporate Plan Implications

- 5.4 Promoting the health and wellbeing of employees and people in the community supports all the key themes under the Corporate Plan and in particular the People theme. It also supports the Council's vision of; 'Making South Derbyshire a better place to live, work and visit'.

6.0 Community Impact

Equality and Diversity Impact

- 6.1 Eliminating mental health discrimination is a stated aim of the national campaign. This relates to employment, access to medical support and provision of goods and services. The Government has recognized this and commissioned an independent review of potential resources and actions to be undertaken to address this matter. This report, 'Thriving at Work' sets out a number of actions and the importance of action being taken by Government, employers and the public sector to reduce the stigma of mental health.
- 6.2 As a provider of services to the community and an employer, the Council ensures that equal and fair treatment is provided in its services and employment practices.

7.0 Conclusions

- 7.1 The importance of encouraging and promoting health and wellbeing as an employer and community leader realises numerous benefits as detailed in this report. These initiatives will have a positive impact on people across the community and workforce.

8.0 Background Papers

- 8.1 Sickness absence annual report – Finance and Management Committee 14th June 2018

8.2 'Thriving at Work' – The Stevenson/Farmer Review 2017

8.3 Derbyshire Health and Wellbeing Strategy 2018-23

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 12
DATE OF MEETING:	14th MARCH 2019	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811) Kevin.Stackhouse@southderbyshire.gov.uk	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

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

2.0 Purpose of Report

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

3.0 Detail

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

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

**Finance and Management Committee – 14th March 2019
Work Programme**

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

Annual Communications Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Compliments, Complaints and Freedom of Information Requests October 2017 to March 2018	14 th June 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Budget Out-Turn and Final Accounts 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Treasury Management Annual Report 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Annual Accounts and Financial Statements 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Better Care Funding Allocation 2018-19	26 th July 2018	Eileen Jackson Housing Strategy Manager (01283) 595763
The Local Authorities' Property Fund	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Planning & Land Charges Software	26 th July 2018	Tony Sylvester Planning Services Manager (01283) 595743

Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	30 th August 2018	Keith Bull Head of Communications (01283) 598705
Budget and Financial Monitoring 2018/19	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Capital Investment Strategy and Policy Framework	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Updated Treasury Management Investment Strategy and Counterparty List	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Toyota City	30 th August 2018	Mike Roylance Economic Development Manager (01283) 595725
Modern Slavery Statement And Procedure Document	11 th October 2018	Chris Smith Communities Manager (01283) 595787
Updated Financial Strategy	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
A Review of Earmarked Reserves	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Updated Medium-Term Financial Plan to 2024	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Annual Training and Development Report 2017/18	11 th October 2018	Loyd Baker Service Lead HR and Training (01283) 228770
Potentially Violent Persons' Policy	11 th October 2018	David Clamp Head of Organisational Development (01283) 595729
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget and Financial Monitoring 2018/19	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Treasury Management Quarterly Report 2018/19	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Sundry Debt Management Policy	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Local Council Tax Reduction Scheme 2019/20	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Compliments, Comments, Complaints and FOI Requests 1 st April to 30 th September 2018	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Equalities Policy Statement and Corporate Group's Term of Reference	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Service Budgets 2019/20	10 th January 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Consolidated Budget Proposals 2019/20 and Medium-Term Financial Plan to 2023/24	10 th January 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Council Tax Premiums on Empty Properties	10 th January 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Treasury Management Strategy 2019/20	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Final Consolidated Budget Proposals 2019/20 and Medium-Term Financial Plan to 2023/24	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Local Council Tax Reduction Scheme 2019/20	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Discretionary Business Rates Relief	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Church Gresley Cemetery – Layout Changes	14 th February 2019	Malcolm Roseburgh Cultural Services Manager (01283) 595774
Provisional Programme of Reports to be considered by Committee		
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	14 th March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget and Financial Monitoring 2018/19	14 th March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Treasury Management Quarterly Report 2018/19	14 th March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Resources Service Plan 2019/20	25 th April 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Local Government Pension Scheme: A Review of the Discretionary Policy	25 th April 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811