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Date: 12 June 2024

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held at **Council Chamber**, Civic Offices, Civic Way, Swadlincote, DE11 0AH on **Thursday, 20 June 2024 at 18:00**. You are requested to attend.

Yours faithfully,

Monitoring Officer
Executive Director – Law and People

To: **Labour Group**

Councillor S Harrison (Chair), Councillor L Singh (Vice-Chair)
Councillors M Mulgrew, R Pearson, G Rhind, B Stuart, S Taylor and N Tilley

Conservative Group

Councillors D Corbin, M Ford, J Lowe and S Meghani

Liberal Democrats

Councillor G Andrew

AGENDA

Open to Public and Press

- 1** Apologies and to note any substitutes appointed for the Meeting.
- 2** To note any declarations of interest arising from any items on the Agenda
- 3** To receive any questions by members of the public pursuant to Council Procedure Rule No. 10.
- 4** To receive any questions by Members of the Council pursuant to Council Procedure Rule No. 11.
- 5** Reports of Overview and Scrutiny Committee.
- 6** CORPORATE PLAN 2020-24 PERFORMANCE REPORT 2023-2024 **4 - 56**
QUARTER 4, APRIL TO 31 MARCH
- 7** ACCEPTANCE OF HOUSEHOLD SUPPORT FUND 5 GRANT FUNDING **57 - 64**
- 8** DERBYSHIRE COUNTY COUNCIL ELECTORAL DIVISION BOUNDARY **65 - 76**
REVIEW CONSULTATION
- 9** DRAFT ANNUAL GOVERNANCE STATEMENT 2023-24 **77 - 135**
- 10** RISK MANAGEMENT FRAMEWORK **136 - 163**
- 11** PERFORMANCE MANAGEMENT FRAMEWORK **164 - 183**
- 12** OUTCOME OF THE AUDIT COMMITTEE SELF-ASSESSMENT **184 - 204**
- 13** PROVISIONAL REVENUE AND CAPITAL OUTTURN 2023-24 **205 - 235**
- 14** TREASURY MANAGEMENT ANNUAL REPORT 2023-24 **236 - 258**

16	PRODUCTIVITY PLAN	259 - 268
17	COMMITTEE WORK PROGRAMME	269 - 275

Exclusion of the Public and Press:

- 18** 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.
- 19** To receive any exempt questions by Members of the Council pursuant to Council Procedure Rule No. 11.
Details

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	20 JUNE 2024	CATEGORY: DELEGATED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON, charlottejackson@southderbyshire.gov.uk	DOC:
SUBJECT:	CORPORATE PLAN 2020-24 PERFORMANCE REPORT (2023-2024 QUARTER 4, APRIL TO 31 MARCH)	TERMS OF REFERENCE: G
WARD (S) AFFECTED:	ALL	

1.0 Recommendations

- 1.1 That the Committee approves progress against performance targets set out in the Corporate Plan 2020 - 2024.
- 1.2 That the Risk Register for the Committee's services are reviewed.
- 1.3 That elected members note the proposed changes to the approach to reporting Council Plan performance and risks to the Council in sections 4.8 and 6.5.

2.0 Purpose of the Report

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

3.0 Executive summary

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

Our People

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

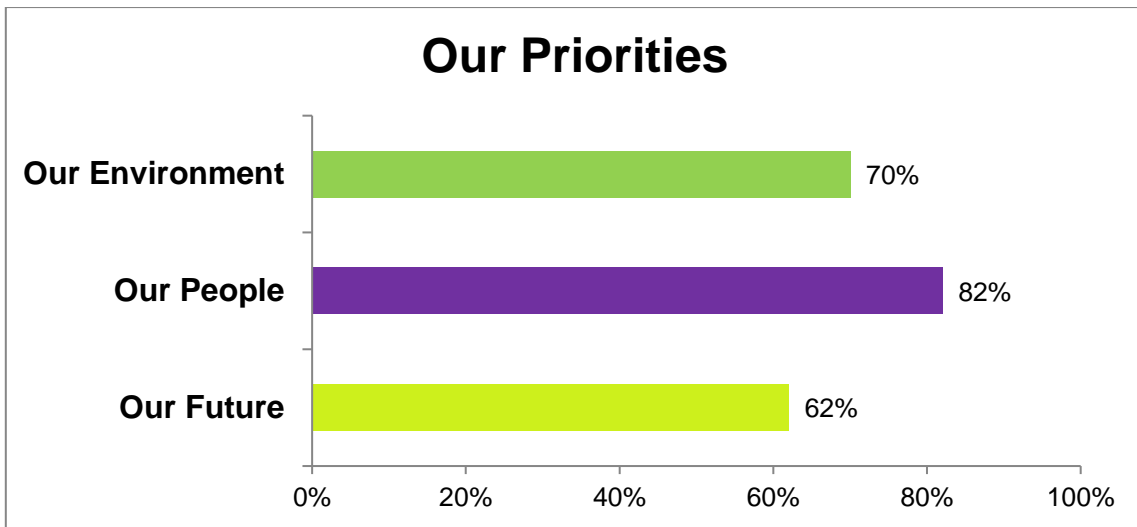
Our Future

- Transforming the Council.

4.0 Performance Detail

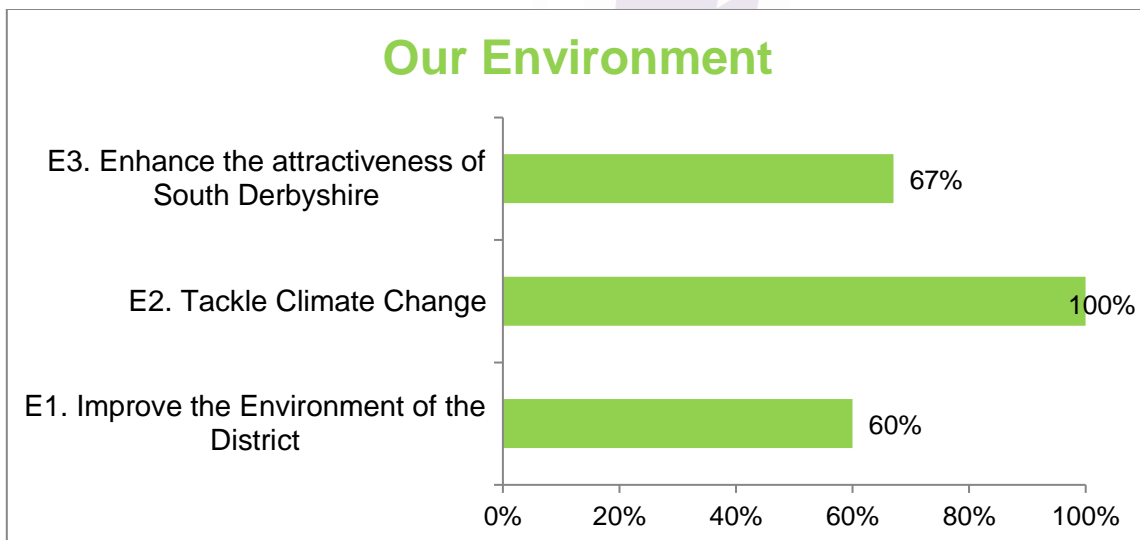
4.1 Overall Council performance against the priorities– Quarter four 2023-2024.

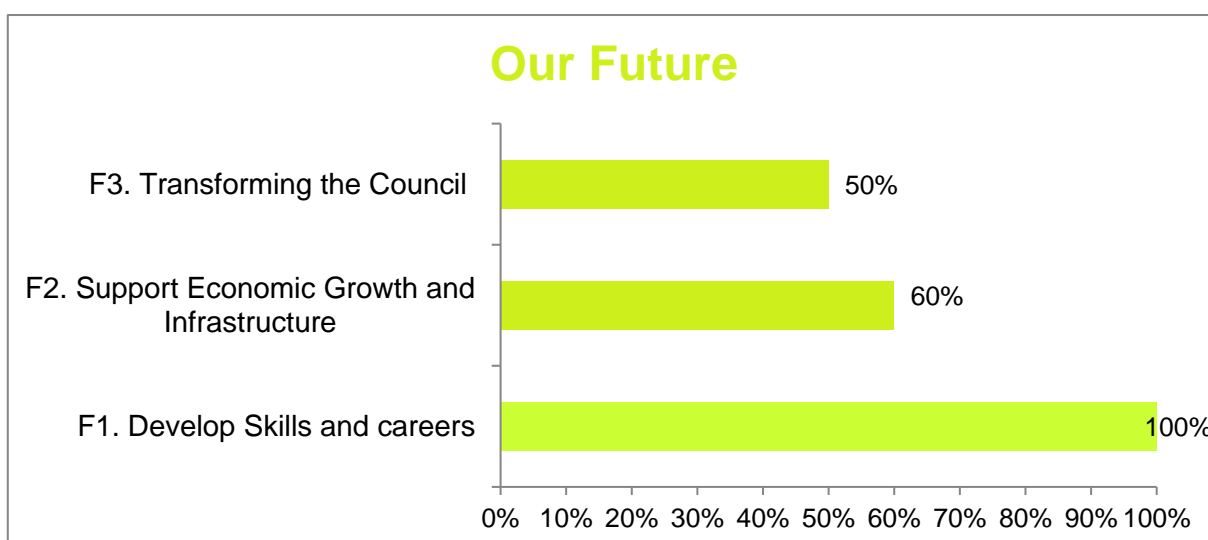
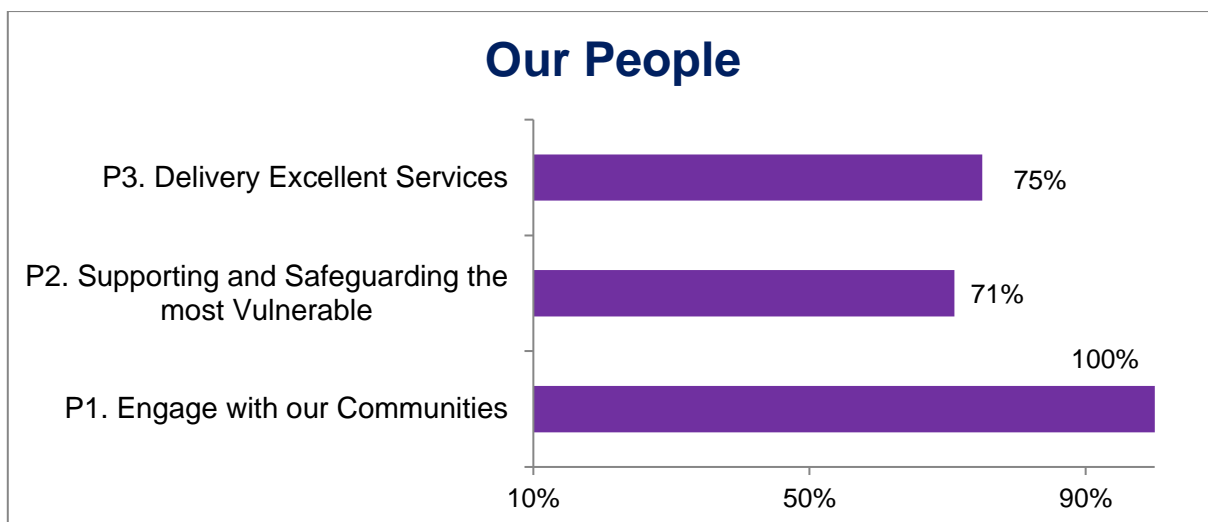
The below chart provides an overview for the percentage of measures that achieved the annual target.



4.2 Overall Council performance against key aims – Quarter four, 2023-2024.

The below charts provide an overview for the percentage of measures that achieved the annual target within each key aim of the Corporate Plan.





4.3 Of the 35 measures which support the progress of the Corporate Plan 20-24, 25 are green, 0 are amber, 9 are red and 1 is grey.

Overall, 74% of the key aims within the Corporate Plan achieved the four-year target. As at quarter four, 70% of indicators achieved the target for Our Environment, 82% achieved the target for Our People and 62.5% achieved the target for Our Future.

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

Below outlines the nine (81%) measures for this Committee that achieved the target for the quarter:

- Develop and deliver the Public Buildings programme over four years.
- Increase the number of customers who interact digitally as a first choice.
- Number of customer telephone calls answered by Customer Service.
- Increase digital engagement (Twitter, Instagram, Facebook.)
- Increase the level of staff engagement.



- Number of apprenticeships.
- The Council has a positive health and safety culture.
- Develop our approach towards the commercialisation of services.

4.5 There are two measures (18%) for this Committee that is not on track (red) for the quarter:

- Reduce face-to-face contact to allow more time to support those customers who need additional support.
- Deliver against the Transformation Action Plan.

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

There have been a lot of successes over the past year, and these should be recognised. Below outlines the key successes linked to the priorities and key aims this Committee is responsible for overseeing:

Priority: Our People - Working with communities and meeting the future needs of the District

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

- Telephone call abandonment rate improved by 74% against 22/23 levels.
- Call Secure Plus software was implemented to ensure the Council is fully Payment Card Industry (PCI) compliant when taking payments over the telephone.
- My SouthDerbyshire Customer Portal went live on our website.
- Over the course of the Corporate Plan there has been a 44% increase in the number of followers interacting with us digitally.

P3. Deliver Excellent Services

- Revenues achieved 98% in-year collection rates for Council Tax, and 99% in-year collection rate for Business Rates.
- Fraud Partnership with Derby City Council has resulted in £116,097.75 cashable savings/income and £73,317.78 value for money savings for 23/24. The savings represent an overall increase of £34,421.92 on the 22/23 outcomes.

Outcome - P2.3 Improve the condition of housing stock and public buildings.

- The Council have completed stock condition surveys for 100% of the Council's public buildings.

Outcome – P3.4 Investing in our workforce.

- 266 employees responded to the survey, representing 69%, which is within the normal range expected for our type of council.

Priority: Our Future - Growing our District and our skills base.



Outcome - F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs.

- MySouthDerbyshire customer account went live in February this year, which added to the offering of new digital channels available 24/7 to customers which launched March 2023.
- Route optimisation project is now complete with new rounds currently in active use. Refuse routes have been optimised which aids the service in load balancing, collection and planning labour for future growth.
- Environmental and Licensing system is the last of the large line of business systems to undertake a review. A comprehensive needs analysis and processes workshops have taken place over the last 12 months to compile an accurate and future proof system specification for tender.
- With the increase in quantity and complexity of Corporate complaints, Data Protection complaints and FOI Requests the Council have purchased a new solution for case management. Initial benefit realisation workshop has mapped out an estimated 32% efficiency saving in staff time.
- A Fleet management solution will be going live in Q1 2024/25. The solution provides additional governance safeguards for the depots vehicle fleet to aid in the retention of operating license and day to day is predicted to generate £1,200 savings / year on reduction of paper tickets and approximately 50% efficiency savings on staff processing time.

4.6 An overview of performance can be found in the Performance Dashboard in **Appendix A**. A detailed update of the quarterly outturn of each performance measure including actions to sustain or improve performance is included in the detailed Performance Measure Report Index in **Appendix B**.

4.7 Questions regarding performance are welcomed from the Committee in relation to the Corporate performance measures that fall under its responsibility and are referenced in the detailed Performance Measure Report Index in **Appendix B**.

4.8 The reporting format for the Council Plan 2024-2028, will be focused on reporting performance measures and projects by exception. Projects and key performance measures reported as 'at risk of failing the target' or 'target not met', will be detailed in the *Council Performance Report: Reporting by Exception* in the appendices to the Committee report.

4.9 An updated Performance Management Framework, setting out the revised approach to performance reporting, will be presented to the Finance and Management Committee as a separate agenda item on 20 June 2024.

5.0 Financial and Implications



None directly.

6.0 **Corporate Implications**

6.1 **Employment Implications**

None directly.

6.2 **Legal Implications**

None directly.

6.3 **Corporate Plan Implications**

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

6.4 **Risk Impact**

The Risk Register for the Committee's services is detailed in **Appendix C** Chief Executive Risk Register and **Appendix D** Corporate Risk Register. This includes the register, risk mitigation plans and any further actions for the relevant departmental risks. Each risk has been identified and assessed against the Corporate Plan aims which are considered to be the most significant risks to the Council in achieving its main objectives. The Risk Register details a risk matrix to summarise how each identified risk has been rated.

The following risks have been updated for quarter four in the Corporate Risk Register:

- CR3 – Procurement Services. The mitigating actions have been updated to confirm the competitive tender exercise for procurement advice and support is in the scoping stage and is due to conclude in September 2024. An additional mitigating action has been added to the risk to advise discussions with the neighbouring council is underway to bolster resilience in approach. Further actions required have been updated to confirm the review and update of the Council's Procurement Strategy and Contract Procedure Rules is due to be completed by March 2025, and the re-procurement of support arrangements is due to be completed by October 2025, an additional action has been added to instigate a spend analysis. The inherent risk has been amended from 9 (medium risk) to 12 (significant risk) and the risk rating after mitigating actions amended from 3 (low risk) to 8 (medium risk.)
- CR7 – Payroll Services. Further actions have been updated to confirm an options paper has been presented to the Leadership Team regarding the provision of payroll service and quotes are being obtained from third parties.
- CR9 - Transformation Compliance. Further actions have been updated to confirm projects on the Customer and Digital roadmap will be reported to the Leadership



Team on a quarterly basis and an overview report was presented at F&M Committee in April 2024 to outline the new work portfolio.

- CR12 - Government Funding. Further actions required have been updated to include an action to mobilise the Sustainable Finance Plan with the Leadership Team.
- CR14 - Technology, Data and Security. Further actions required have been updated to confirm the Information Security and Acceptable Use Policy was approved by Leadership Team and is now undergoing further consultation.
- CR16 - Business Continuity. The mitigating actions have been updated to advise a business continuity exercise and training of Leadership Team, Heads of Service and Members undertaken February and April 2024.
- CR17 – Capacity and Resilience. Further actions required have been updated to advise the People Strategy is being developed and will be presented to F&M Committee in September 2024, and job shadowing opportunities to be considered as part of the apprenticeship offering. Mitigating actions updated to confirm the Market Supplement Policy was approved by F&M Committee on the 25th April 2024,
- CR19 – Statute and Regulation. Further actions required have been updated to advise an initiation to form a Housing Services Improvement Working Group has commenced following the report to Council on the 11/04/2024 and the self-referral to the Social Housing Regulator for non-compliance with the Housing Consumer Standards, additional resources to be secured and a wider review of Housing Service is being undertaken and is near completion, with an action plan under development.

The risk ratings have been adjusted on the basis of legislation and regulatory changes for Council Housing. The inherent risk has increased from 6 (medium risk) to 12 (significant risk) and the risk rating after mitigating actions has increased from 3 (low risk) to 9 (medium risk.)

- CR20 – Health and Safety. Mitigating actions have been updated to confirm the new pilot to capture data for near misses has been rolled out. Health and Safety mandatory training has exceeded the target with 86% of staff having attended the training, All current health and safety related procedures to be reviewed and updated.
- CR21 - Managing the environmental impact of incidents across the district. The mitigating actions have been updated to reference the DRP, the Derbyshire Resilience Partnership (DRP) was formed in 2023 following a review of countywide emergency planning arrangements. Further actions required, have been updated to advise the implications of the formation of the DRP are working through and may result in local changes, topic specific DRP working groups are being formed which relevant SDDC officers will fully engage with.
- CR22 – Climate Emergency. Further actions have been updated to confirm a 2024 iteration of the Climate & Environment Action Plan will be published in Summer 2024. The risk rating after mitigating actions has been reduced from 12, significant risk to 9, medium risk.
- CR23 - Internet Connection. Further actions required updated to advise the ICT department are reviewing further resilient options, part of this includes a new proxy



service, the costs have been included in the budget setting process. The work will begin in April 2025 and is scheduled to be completed in Summer 2025.

- CR24 – Technical Resource. Finance and Management Committee approved an additional support post in Quarter 4 2023-2024.
- CR26 – Supply Chain (*CR26a - Operational Service update.*) The current HGV salary at SDDC is not as competitive as local market, additional payment supplement for HGV drivers to be reviewed as part of the Market Supplement Policy and Procedure. A second apprentice mechanic commenced work in the service in February 2024. Further actions required have been updated to confirm HGV driver training is being offered to existing staff, HGV apprenticeships are being explored as longer-term HGV plan for recruitment and the parts supply at vehicle manufacturers is improving but lead times are still excessive to 30+ weeks for any new RCV's. (*CR26c - Housing Service*) Mitigating actions updated to advise the Council is on track for procuring a new repairs and maintenance contractor, as the current arrangements will cease in July 2024. Risk rating after mitigating actions reduced from 12 (significant risk) to 9 (medium risk.)
- CR27 – External audit of the Council's accounts. The mitigating actions have been updated to confirm the Council has been awarded by the PSAA (Public Sector Audit Appointments) a new audit partner, Mazars, who will be auditing the Council's accounts for next five years. Working relationships have been established with the audit partner. Further actions have been updated to advise the National Audit Office (NAO) have launched a consultation on amending the code of audit practice to require auditors to issue audit opinions according to statutory back stop data for historic audits (back stop date - September 2024.) This will allow auditors to produce a single value for money commentary for the Council's accounts dating 2021/22 and 2022/23. The risk rating after mitigating actions has been amended from 12, significant risk to 9, medium risk.

There have been no changes to the Chief Executive Risk Register in quarter four.

- 6.5 The Council's risk management and risk registers were reviewed by the external auditor earlier this year, the findings from the review were submitted to the Audit Sub Committee on the 6th March 2024. The Strategic Director, Corporate Resources, is currently undertaking a review of the Council's Risk Management process and the approach to reporting the Council's strategic risks to elected members in the future. An updated Risk Management Framework, setting out a revised approach, will be presented to the Finance and Management Committee as a separate agenda item on 20 June 2024.

7.0 **Community Impact**

7.1 **Consultation**

None required.

7.2 **Equality and Diversity Impact**

Not applicable in the context of the report.



7.3 Social Value Impact

Not applicable in the context of the report.

7.4 Environmental Sustainability

Not applicable in the context of the report.

8.0 Appendices

Appendix A – Performance Dashboard 2020-2024
Appendix B – Performance Measure Report
Appendix C – Chief Executive Risk Register
Appendix D – Corporate Risk Register



Priority	Key Aim	Outcome	Ref	How success will be measured	2019-2020 (baseline) Outturn	Q4 2020-2021: Apr - Mar	Q4 2021-2022: Apr - Mar	Q4 2022-2023: Apr - Mar	Q4 2023-2024: Apr-Dec	Plan Target 2020-2024	Head of Service	Strategic Lead	Committee		
OUR ENVIRONMENT	Keeping a clean, green District for future generations	E1. Improve the environment of the District	E1.1A	Household waste collected per head of population	Cumulative (Apr-Mar) 404 kgs Q4 (Dec-Mar) 90kgs	460kgs	416kgs	395kgs	410kgs	Sustain during Y1 and Y2. See a downward trend in Yrs. 3 and 4	Gary Charlton, Head of Operational Services	Heidi McDougall, Executive Director Environment and Communities	E&DS		
			E1.1B	% of collected waste recycled and composted	Cumulative (Apr-Mar) 45% Q4 (Jan-Mar)39%	47%	46%	43%	45%	Sustain during Y1 and Y2. See an upward trend in Y3 and Y4	Gary Charlton, Head of Operational Services	Heidi McDougall, Executive Director Environment and Communities	E&DS		
			E1.2A	Number of fly tipping incidents	714 (total figure for 2019/20)	1003	604	590	562	Downward trend over four years	Matt Holford, Head of Environmental Services	Heidi McDougall, Executive Director Environment and Communities	E&DS		
			E1.2B	Improve the quality of the District through the Local Environmental Quality Survey	The first survey was completed in January 2020 the result was 89.67% above grade C+. Committee report being prepared. Some service PIs developed to assist overall performance.	Report in Q1 21/22	93.79% of streets meet grade B or higher	96.65% Grade B or above	97.9% (Grade B or above)	>95% (Grade B or above)	Gary Charlton, Head of Operational Services	Heidi McDougall, Executive Director Environment and Communities	E&DS		
		E1.3A	% of eligible new homes and commercial developments to achieve net gain in Biodiversity by a minimum of 10% compared to the sites pre development baseline.	Not possible to provide as outputs not held in software until April 2020. Monitoring underway and baseline data to be provided Q1 and Q2.	66.7%	66.7%	0	0	85%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Executive Director Environment and Communities	E&DS			
		E2. Tackle climate change	E2.1A	Reduce South Derbyshire District Council carbon emissions	No update required for Q4. First update to be provided Q1 2020-21.	Achieved	Achieved	Achieved	Achieved	>90% of actions in the C&EAP to be RAG rated 'Green' - Achieved	Reduce CO2 emissions (from baseline) through the achievement of actions in the South Derbyshire Climate and Environment Action Plan 2020-24 (C&EAP)	Matt Holford, Head of Environmental Services	Heidi McDougall, Executive Director Environment and Communities	E&DS	
			E2.2A	% of new homes to meet water efficiency targets as set out in the Part G optional standard of 110 litres of potable water usage per person per day	Baseline figure of 50% based on 18 qualifying decisions in Q4.	100%	75.6%	86%	92%	85%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Executive Director Environment and Communities	E&DS		
		E3. Enhance the attractiveness of South Derbyshire	E3.1A	Increase Swadlincote Town Centre visitor satisfaction	49% of respondents would recommend Swadlincote Town Centre - May 2019. No update required for Q4. First update to be provided Q2 2020-21	55%	60%	66%	50%	National small towns average 72%. Target to be above the National average by 2023/24	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS		
			E3.2A	The number of Green Flag Awards for South Derbyshire parks	2	Achieved	3	3	4	Increase from two green flag park awards to four by 2024	Sean McBurney, Head of Cultural and Community Services	Heidi McDougall, Executive Director Environment and Communities	H&CS		
			E3.2B	Proportion of good quality housing development schemes	92%	Out turn unavailable	Out turn unavailable	Out turn unavailable	100%	90% of schemes which score high	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Executive Director Environment and Communities	E&DS		
		OUR PEOPLE	the future needs of the District	P1. Engage with our communities	P1.1A	Number of new and existing Community Groups supported	36	153 groups	160 groups	216	232	Year 1 -2(Proxy)- collate baseline data. Year 3-4 we will show an increase on the average over two years (>157)	Sean McBurney, Head of Cultural and Community Services	Heidi McDougall, Executive Director Environment and Communities	H&CS
					P1.2A	Number of ASB interventions by type	2,893 ASB reports	Minimal	Moderate	Moderate	Moderate	Performance to be rated as 'High' or 'Moderate'	Matt Holford, Head of Environmental Services	Heidi McDougall, Executive Director Environment and Communities	H&CS
				P2. Supporting and safeguarding the most vulnerable	P2.1A	Number of households prevented from Homelessness	103 cases	265 cases	261 cases	182 cases	254 cases	Proxy Measure to show service activity	John Comber, Interim Head of Housing	Heidi McDougall, Executive Director Environment and Communities	H&CS
					P2.1B	Continue to undertake interventions per year to keep families out of fuel poverty	Numbers of interventions in 2019/20 were not recorded	276	210	198	203	>160 interventions during 2023-2024 640 interventions over the four-year Plan	Matt Holford, Head of Environmental Services	Heidi McDougall, Executive Director Environment and Communities	E&DS
P2.2A	Deliver the objectives identified in the South Derbyshire Health & Wellbeing Group				Not applicable for Q4	Ongoing delivery of plan	Delivery of the Health and Wellbeing Action Plan over 2021-22	Delivery of the Health and Wellbeing Action Plan over 2022-23	Delivery of the Health and Wellbeing Action Plan over 2023-24	100% of actions identified delivered	Sean McBurney, Head of Cultural and Community Services	Heidi McDougall, Executive Director Environment and Communities	H&CS		
P2.3A	Deliver the Planned Maintenance Housing programme over four years				£2,717,193.80	114.10% (E 2,377,625)	89.1% (E2,116,365.65)	89.29% (E1,721,162.36)	87.63% (E1,825,418)	100% spend against the planned maintenance budget	John Comber, Interim Head of Housing	Heidi McDougall, Executive Director Environment and Communities	H&CS		
P2.3B	Develop and deliver the Public Buildings programme over four years				Project Plan for 2020-21 developed	29 surveys	44 surveys	38 surveys	38 surveys - 100% surveyed undertake on public buildings portfolio.	100% of surveys undertaken	Steve Baker, Head of Corporate Property	Tracy Bingham, Executive Director Resources and Transformation	F&M		
P2.3C	Average time taken to re-let Council homes				Q4 157 days YTD 122 days	200 days	156 days	169 days	157 days	Median Quartile Performance (Benchmark via Housemark)	John Comber, Interim Head of Housing	Heidi McDougall, Executive Director Environment and Communities	H&CS		
P2.4A	Deliver the objectives identified in the Supporting Aspirations Plan	Ranked >311 in the Social Mobility Commission's Social Mobility Index	Research and data analysis	Supporting Aspirations Action Plan adopted.	Achieved	Achieved	Deliver the objectives identified in the Supporting Aspirations Plan	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS					

Priority	Key Aim	Outcome	Ref	How success will be measured	2019-2020 (baseline) Outturn	Q4 2020-2021: Apr - Mar	Q4 2021-2022: Apr - Mar	Q4 2022-2023: Apr - Mar	Q4 2023-2024: Apr-Dec	Plan Target 2020-2024	Head of Service	Strategic Lead	Committee				
People	Working with communities and meeting	P3. Deliver Excellent Services	P3.1 Ensuring consistency in the way the Council deal with service users	P3.1A	Increase the number of customers who interact digitally as a first choice	During 2019/20 there were 1,282 council tax and digital forms submitted, 13,912 general website forms via the website and 287 social media enquiries. Total 15,481.	23,461	24,405	25,856	27,732	2023-2024 - Upward Trend on 2019/20 baseline data	Catherine Grimley, Head of Customer Services	Tracy Bingham, Executive Director Resources and Transformation	F&M			
			P3.2 Have in place methods of communication that enables customers to provide and receive information.	P3.2A	Reduce face-to-face contact to allow more time to support those customers who need additional support	2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490. Please note this was up to 20 March 2020, when offices closed due to Covid 19. Quarter 4 figures.	0	859	8,253	8,747	Downward trend <8253	Catherine Grimley, Head of Customer Services	Tracy Bingham, Executive Director Resources and Transformation	F&M			
			P3.3 Ensuring technology enables us to effectively connect with our communities.	P3.3A	Number of customer telephone calls answered by Customer Service	Total Calls 26,290 (21,350 calls handled & 4,930 automated call payments). Quarter 4 figures.	98,099	99,165	85,197	84,889	Downward Trend <85,197	Catherine Grimley, Head of Customer Services	Tracy Bingham, Executive Director Resources and Transformation	F&M			
				P3.3B	Increase digital engagement (Twitter, Instagram, Facebook)	Total FACEBOOK fans: 22,440, total TWITTER followers: 11,448, No Instagram account yet, total ALL SOCIAL MEDIA fans: 33,888. Social Media queries: 287	43,850	49,181	52,682	60,689	Upward Trend	Fiona Pittam, Head of Organisational Development	Tracy Bingham, Executive Director Resources and Transformation	F&M			
				P3.4A	Increase the level of staff engagement	No Q4 Update. First Staff survey to take place in 20/21.	Survey postponed until 21-22	Target not achieved		Annual figure of employee survey - 266 responses	Q4 - Collate baseline data (proxy measure Q1 to Q3)	Fiona Pittam, Head of Organisational Development	Tracy Bingham, Executive Director Resources and Transformation	F&M			
				P3.4B	Number of apprenticeships	4 (1.2% of head count)	5 (1.5% of head count)	6 (1.84% of head count)	9 (2.47% of workforce)	10 (2.6% workforce)	>2.3% of head count	Fiona Pittam, Head of Organisational Development	Tracy Bingham, Executive Director Resources and Transformation	F&M			
				P3.4C	Average number of staff days lost due to sickness	3.58	12.93	10.28	9.64	9.54	Downward Trend	Fiona Pittam, Head of Organisational Development	Tracy Bingham, Executive Director Resources and Transformation	F&M			
				P3.4D	The Council has a positive health and safety culture	No Q4 update for 19/20. First Staff survey to take place in 20/21.	Postponed until early 22/23	Postponed until early 22-23	81%	86% of mandatory H&S training delivered. The Health & Safety Policy was approved by H&S committee in January 2024.	Mandatory H&S training >81% and up to date Health & Safety Policy	Fiona Pittam, Head of Organisational Development	Tracy Bingham, Executive Director Resources and Transformation	F&M			
			Our Future	Growing our District and our skills base	F1. Develop skills and careers	F1.1 Attract and retain skilled jobs in the District	F1.1A	Increase the number of employee jobs in South Derbyshire	32,000	32,000 Impacted by Covid-19	31,000 Impacted by Covid-19	34,000	Publication of 2023 data from the ONS Business Register and Employment Survey is awaited	Upward Trend	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS
						F1.2 Support unemployed residents back into work	F1.2A										
					F2. Support economic growth and infrastructure	F2.1 Encourage and support business development and new investment in the District	F2.1A	Annual net growth in new commercial floorspace (sqm)	2,885 sqm	4,140 sqm	1,665 sqm	28,174 sqm net growth	82,792.5 sqm.	Net annual growth in commercial floorspace over the four year plan - 49,078 sqm net growth	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS
							F2.1B	Total Rateable Value of businesses in the District	£67,486,786	£67,341,926	£67,234,722	£67,120,292	£75,182,696	Upward trend >£75,132,472	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS
						F2.2 Enable the delivery of housing across all tenures to meet Local Plan targets	F2.2A	Speed of decision on discharging conditions on housing applications	80%	100%	60.9%	78%	65%	90% within 8-13 weeks or as agreed with the applicant	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Executive Director Environment and Communities	E&DS
							F2.2B	% of planning applications determined within the statutory period	93%	98%	90.50%	83%	77%	>90%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Executive Director Environment and Communities	E&DS
F2.3 Influence the improvement of infrastructure to meet the demands of growth.	F2.3A	Secure new facilities and contributions through Section106 to mitigate impacts of development. Achieve all necessary highway, education, healthcare, and recreation contributions			No Q4 update for 19/20. New indicator, data will be collected from April 2020 onwards as retrospective data is not possible to collect.	94%	100%	90%	100%	90%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Executive Director Environment and Communities	E&DS				
F3. Transforming the Council	F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs.	F3.1A			Deliver against the Transformation Action Plan	No Q4 update for 19/20. Transformation plan to report from Q1 onwards	On target	85%	On target	97%	Deliver 100% against action plan	Anthony Baxter, Head of Business Change and ICT	Tracy Bingham, Executive Director Resources and Transformation	F&M			
	F3.2 Source appropriate commercial investment opportunities for the Council	F3.2A			Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities	Preliminary discussion between Operational Services and Finance have taken place, working group and action plan not yet established					An Operational Services Commercialisation Plan will be produced which will set out the aims and objectives of the commercialisation of the service for the next three years.	Gary Charlton, Head of Operational Services	Heidi McDougall, Executive Director Environment and Communities	F&M			

Corporate Plan 2020-2024

Performance Measure Report

Finance and Management Committee

Team: Organisational Development and Performance

Date: June 2024

Quarter 4, 2023-2024

Performance Measure Report Index

Corporate Plan 2020-2024

Summary

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

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

Environmental and Development Services Committee (E&DS) are responsible for 17 Corporate measures under the key aims:

- E1. Improve the environment of the District.
- E2. Tackle climate change.
- E3 Enhance the attractiveness of South Derbyshire.
- P2. Supporting and safeguarding the most vulnerable
- F1. Develop skills and careers.
- F2. Support economic growth and infrastructure.

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

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

Finance and Management Committee (F&M) are responsible for 11 corporate measures under the key aims:

- P2. Supporting and safeguarding the most vulnerable.
- P3. Deliver Excellent Services.
- F3. Transforming the Council.

Finance and Management Committee (F&M) are responsible for the following 11 corporate measures.

Our People

Measure

- Develop and deliver the Public Buildings programme over four years
- Increase the number of customers who interact digitally as a first choice
- Reduce face-to-face contact to allow more time to support those customers who need additional support
- Number of customer telephone calls answered by Customer Services
- Increase digital engagement (Twitter, Instagram, Facebook)
- Increase the level of staff engagement
- Number of apprenticeships
- Average number of staff days lost due sickness
- The Council has a positive health and safety culture

Our Future

Measure

- Deliver against the Transformation Action Plan
- Develop an approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities.

Priority: Our Future

F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs.

Measure and Reference	F3.1A Deliver against the Transformation Action Plan	Committee	F&M		
Definition	In order to deliver services to meet the needs of the organisation, the Council needs a robust plan to identify areas of improvement, evaluate and benchmark a target operating model and map a route to achieving our ambitions	Why this is Important	The Transformation Plan provides a focal point for major change in the organisation, evaluating conflicting priorities, allocating resources, escalating problem and above all else, manage core programmes of work by documenting progress.		
What Good Looks Like	Each year the Head of Business Change, ICT & Digital will present a workplan for adoption, outlining projects, milestones and resources needed to achieve the objectives set by the Corporate Plan.				
History of this Indicator	The Council is committed to improving outcomes and outputs for its stakeholders as is evident in the Corporate Plan.				
2019/20 Baseline Data	Not applicable				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Deliver 100% against action plan	On target	On target	On target	On target
2021/22	Deliver 100% against action plan	On target	Quarterly target not achieved	Continue to deliver the annual transformation plan including the emerging Future Service Delivery programme	85%
2022/23	Deliver 100%	On target	On track	On track	Complete

	against action plan				
2023/24	Deliver 100% against action plan	On target	On target	On track	97%

Performance Overview - Quarterly Update	Actions to sustain or improve performance
<p>During 2023-24 projects meeting their agreed deliverables are outlined below:</p> <p>6 at 100%</p> <p>2 at 90%</p> <p>Overall project workload delivered by 31st March 2024 against objectives is 97%.</p> <p>Two long standing projects went live in Q4 (My South Derbyshire and Route Optimisation). Two projects were due to conclude in Q4 (Fleet Management and Environmental Health system procurement) but did not. Both will conclude in Q1 24/25.</p> <p>The Environmental Health system procurement was delayed due to external factors, officers as SDDC completed work for specification in line with the agreed project timeline. The Fleet Management project was purposefully delayed six weeks in order to book in additional training with new members of staff to ensure a positive launch to the new solution.</p>	<p>Project plans have been adjusted. All projects remained on track until Q4. Regular reporting and project management procedures dealt with the event as expected and provide a robust tool in the delivery and conclusion of projects.</p> <p>Ongoing customer change projects will be reported to the Leadership Team on a quarterly basis.</p>

Priority: Our Future

F3.2 Source appropriate commercial investment opportunities for the Council

Measure and Reference	F3.2A Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities			Committee	F&M
Definition	Using Council assets wisely, trading services with others across the public and private sectors and selling commodities to generate income.	Why this is Important	As funding shrinks exploring new ways to maximise our income is essential, in order to protect valuable frontline services and ensure positive outcomes for our local communities.		
What Good Looks Like	Year 1 to form a working group and define the action plan Year 2 to 4 deliver 100% against the action plan and sustain an upward trend in income generation				
History of this Indicator	New indicator				
2019/20 Baseline Data	Baseline data to be collated during 20-21				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Year 1 to form a working group and define the action plan	On target	On target	On target	On target
2021/22	deliver 100% against the action plan and sustain an upward trend in income generation	Quarterly outcome not achieved	Quarterly outcome not achieved	No change from last quarter	No change from last quarter
2022/23	A corporate action plan collating Council department strands of commercialisation is to be drafted by then end of Quarter four.	No change from last quarter	No change from last quarter	n/a	No change from last quarter

2023/24	An Operational Services Commercialisation Plan will be produced which will set out the aims and objectives of the commercialisation of the service for the next three years.	No change from last quarter	Plan approved at E&DS Committee Sep 23	Plan approved at E&DS Committee Sep 23	No change from last quarter
Performance Overview - Quarterly Update			Actions to sustain or improve performance		
Operational Services staff are engaged in developing new trade waste clients to support commercialisation.			New Income Generation Project - Looking forward this commercialisation plan will be monitored by the Income Generation theme of the MTFs programme.		

Priority: Our People

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

Measure and Reference	P2.3B Develop and deliver the Public Buildings programme over four years		Committee	F&M	
Definition	The purpose of the Performance Indicator is to measure progress in the completion of condition surveys and a Planned Maintenance Programme over the term of the Corporate Plan.		Why this is Important	Completion of Public Buildings condition surveys and a planned maintenance programme will ensure the Council's buildings are fit for purpose, with repairs undertaken in a proactive, efficient and prioritised manner.	
What Good Looks Like	The portfolio contains 149 Public Building Assets. 100 % of the portfolio will be surveyed over the life of the Corporate Plan				
History of this Indicator	No historical monitoring of this indicator				
2019/20 Baseline Data	Not applicable				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	25% of assets to be surveyed and the planned maintenance programme for phase one to be created	Software tested and calibrated	Condition surveys on the five largest assets have been completed	Carry out further surveys on 12 more of the Public Buildings portfolio.	29 surveys
2021/22	30% of surveys to be undertaken.	9.1% (11 Surveys)	16% (22 Surveys)	33 surveys	44 surveys
2022/23	25.5% (38 surveys undertaken)	10 surveys	20 surveys	20 surveys	38 surveys
2023/24	100% of surveys undertaken	7 surveys	14 surveys	28 surveys	100% or 38 surveys
Performance Overview - Quarterly Update All surveys have now been undertaken.			Actions to sustain or improve performance The information collated from the surveys on the public building's portfolio will inform the planned maintenance schedule.		

Priority: Our People

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

Measure and Reference	P3.1A Increase the number of customers who interact digitally as a first choice	Committee	F&M
Definition	Increase number of customers who interact/raise service requests with the Council using online forms, web chat, and integrated social media, versus alternative methods (phone, face-to-face etc).	Why this is Important	The Council has an ambition to enable online interaction, to reduce the cost-of-service transaction and increase customer satisfaction. This will provide more time to support those who need additional support by telephone or face-to-face.
What Good Looks Like	Increased number of customers who choose to raise service requests digitally with the Council – whether through the Council’s Customer Relationship Management (CRM) platform, web chat, integrated social media or supporting digital systems (such as council tax, planning and housing systems).		
History of this Indicator	The Council has not yet adopted a centralised digital platform to enable true online interactions, however, has been adopting improved forms and new forms to boost digital interactions until a new CRM is in place.		
2019/20 Baseline Data	During 2019/20 there were 1,282 council tax and digital forms submitted, 13,912 general website forms via the website and 287 social media enquiries. Total 15,481.		

Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Upward trend	5,693	11,393	17,322	23,461
2021/22	>22,242 (upward trend year on year)	5301	10,491	15,379	24,405
2022/23	Upward trend	6,021	16,334	21,245	25,856
2023/24	Upward Trend on 2019/20 baseline data >15,481.	5864	14,400	21,416	27,732

Performance Overview - Quarterly Update	Actions to sustain or improve performance
My South Derbyshire online accounts went live on 22nd February as part of a	Following the soft launch of the My South Derbyshire portal and associated online

soft launch. We have already achieved 196 sign ups from Customers. This now allows customers to find out an array of Council information personalised to them and the area that they live, such as their local Councillor contact details and waste collection days. They can also raise service requests via online forms quickly and efficiently, tracking the progress of their request along the way.

forms, a communications plan will now be developed to further promote My South Derbyshire and its benefits in the coming months.

Priority: Our People

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

Measure and Reference	P3.2A Reduce face-to-face contact to allow more time to support those customers who need additional support	Committee	F&M		
Definition	Decrease the number of face-to-face interactions, by offering enhanced alternative methods of contact (phone and online) to enable the Council to provide a better service to those customers who need additional support.	Why this is Important	The Council has an ambition to enable online interaction and to enhance telephone support services available. This will enable the Council to better support those customers who need more personalised support face-to-face.		
What Good Looks Like	To see a downward trend in the number of face-to-face customers through Customer Services.				
History of this Indicator	The Council has already seen a decrease in numbers of face-to-face visitors since the introduction of the Council's website, which provides answers to a variety of basic queries and the payment kiosk, which supports self-service payments.				
2019/20 Baseline Data	31,986 face to face enquiries (2018/2019) Q4 (Jan-Mar) 6,953 (2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490)				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Downward trend	No visitors due to Covid-19	No visitors due to Covid-19	No visitors due to Covid-19	0
2021/22	Downward trend (based on pre-Covid-19 levels <31,986)	0	0	0	859
2022/23	Downward trend (based on pre-Covid-19 levels <31,986)	2,470	4,496	6,359	8,253
2023/24	Downward trend <8,253	2,092	4,054	6,324	8,747

Performance Overview - Quarterly Update	Actions to sustain or improve performance
<p>There is always an increase in customer contact in Q4 due to the Council's annual billing exercise. Of the 2,423 visitors who attended the Civic Offices in Q4, 1,348 of these were dealt with by Reception, a Customer Service Advisor spoke to 402 of them via the telephone booth and 70 of them required face to face interaction with a Customer Service Advisor. 603 were self-service interactions. 83% of those who customers who attended the Civic Office to speak to a Customer Service Advisor could have had their queries resolved via the telephone or online instead if they wished.</p>	<p>Work will be undertaken with individual departments to review wording on letters on how they request information, particularly in Revenues and Benefits service areas where there is still a high proportion of customers attending the offices to physically provide requested evidence when this isn't always necessary and digital options can be used.</p>

Priority: Our People

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

Measure and Reference	P3.3A Number of customer telephone calls answered by Customer Service	Committee	F&M
Definition	The Council has an ambition to handle an increased number/variety of customer calls at first point of contact, vs transferring to back-office teams. Initially this will result in an increase of calls into the contact centre, which will reduce over time, in parallel with the introduction of increased online tools.	Why this is Important	The Council has an ambition to enable customers who wish to interact online with the council to do so, and better support those customers who need more personalised support by phone or face to face.
What Good Looks Like	Initially an increase in numbers of calls/variety of calls into the contact centre is anticipated, followed by a decrease in overall calls, following the introduction and roll out of digital tools.		
History of this Indicator	The Council has already seen a decrease in numbers of telephone calls following the introduction of the Council's website which provides answers to a variety of basic queries and some online forms.		
2019/20 Baseline Data	95,896 telephone calls received (2019/20). 76,804 calls handled & 19,092 automated call payments.		

Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Downward trend <95,896	22,387	44,701	69,812	98,099
2021/22	Downward trend <98,099	26,756	51,866	74,981	99,165
2022/23	Downward trend <99,165	22,872	45,412	66,188	85,197
2023/24	Downward trend <85,197	21,142	43,557	63,944	84,889

Performance Overview - Quarterly Update	Actions to sustain or improve performance
Our annual billing exercise was undertaken during March which always	We are continuing to promote our online access channels and further website

results in an increase in contact into Customer Services. We ensured that information was readily available on the website and included a FAQ's leaflet in with the Council Tax bills to mitigate unnecessary calls into the contact centre. We ensured that resources were placed where they were needed most and as a result, we were able to keep telephone contact to a minimum during this period.

enhancements including the go-live of the South Derbyshire online portal.

Priority: Our People

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

Measure and Reference	P3.3B Increase digital engagement X (formerly known as Twitter), Instagram and Facebook)	Committee	F&M		
Definition	To increase the volume and quality of social media interaction with residents and customers on all Council social media platforms.	Why this is Important	Social media captures customers who are already digitally engaged/aware and more likely to engage with the Council digitally and acts as a good springboard to digital service delivery.		
What Good Looks Like	Increase number of proactive social media engagement from the Council through the Communications team, result in an increased number of engaged citizens.				
History of this Indicator	The engagement rate, sentiment and follower/fan base on our social media accounts has significantly evolved since 2017. The creation of the central Facebook page in 2017 and a more strategic approach – more residents are now choosing this method.				
2019/20 Baseline Data	Number of Facebook (central and departmental) fans and Twitter (central and departmental) followers 33,888.				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Upward trend	34,340	39,924	42,723	43,850
2021/22	Upward trend	44,989	46,853	48,409	49,181
2022/23	Upward trend	51,990	51,762	52,232	52,682
2023/24	Upward trend	55,781	58,708	59,848	60,689
Performance Overview - Quarterly Update		Actions to sustain or improve performance			
There has been the launch of the Council Plan and other high-level consultations that have contributed to the continued growth of our digital channels.		A new communications and engagement structure has been approved. This means the current Communication Team's headcount will grow - this will have a positive impact on this KPI when officers are in post.			

Priority: Our People

P3.4 Investing in our workforce

Measure and Reference	P3.4A Increase the level of staff engagement	Committee	F&M		
Definition	This indicator is designed to measure the level of staff engagement and how satisfied staff are working for the Council. Satisfaction will be measured using the Council's annual employment survey and two pulse surveys. In addition to staff briefing sessions.	Why this is Important	Employee engagement is a workplace approach resulting in the right conditions for all staff to give of their best each day, committed to the Council's Corporate Plan and values. An engaged workforce supports the achievement of our key priorities.		
What Good Looks Like	An annual upward trend in return rates and satisfaction. This measure to be based on the results from the Employment Survey and Pulse Surveys. In addition to, the staff briefing sessions.				
History of this Indicator	New indicator – No recent history available				
2019/20 Baseline Data	New Indicator - first survey to take place in 2020				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	No target for year 1	Reported annually in Q4	Reported annually in Q4	Survey postponed until 21-22	Survey postponed 22-23
2021/22	Annual Increase in the % of Staff completing the survey	Survey postponed 22-23	Survey postponed 22-23	254 staff attended staff briefing sessions in September 2021	Target not achieved
2022/23	Proxy Measure - Establish Baseline Data	Corporate methodology for pulse surveys approved and submitted	246 staff attended staff briefing sessions on Flexible Working Policy in July 2022	182 people responded to staff Flexible Working consultation	Staff engagement survey due to be held in 2023/24
2023/24	Collate baseline	167 staff attended staff	Employee survey on	Employee survey launched.	Annual figure of employee

	data – proxy measure	briefing sessions	hold until Q3.	survey (266 responses)
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<p>Performance Overview - Quarterly Update</p> <p>266 employees responded to the survey, representing 69% of those invited to respond, which is within the normal range, expected for this type of council. Overall, the South Derbyshire District Council employee survey results are favourable, in the upper quartile in comparison with other Councils that have used this survey. Areas where we are on track:</p> <ul style="list-style-type: none"> ✓ Flexible working is beneficial for work/life balance. ✓ Employees feel capable to do their job Useful conversations with line managers to find practical solutions to problems they experience at work /areas where we need to improve. ✓ Trust Bond (the extent to which the employees rate their employer to deliver on their reliably deliver on their promises and obligations. ✓ Opportunities for shaping procedures and implementing change. ✓ Perceived organisational support. 	<p>Actions to sustain or improve performance</p> <p>Service level employee survey results will be shared with Heads of Service (where there has been a response of at least 10 valid responses). Heads of Service will be meeting with their teams to discuss the results for their areas and develop an action plan to be progressed. There will be further engagement with the Employee Forum to explore council wide themes, consider how we can build on our strengths and identify areas for improvement.</p>
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Priority: Our People

P3.4 Investing in our workforce

Measure and Reference	P3.4B Number of apprenticeships and expenditure against the apprenticeship levy	Committee	F&M		
Definition	The number of apprenticeships posts or expenditure against the apprenticeship levy is defined as the number of posts established for apprentices or where existing employees can access funding from the apprenticeship levy. This will be a numerical outcome showing a positive increase trend from the previous year.	Why this is Important	To invest in the Council's current and future workforce through the provision of entry level posts and access to further academic qualifications that will support succession planning and build resilience across the Council.		
What Good Looks Like	The purpose of this PI is to see an increased trend over four years leading to full expenditure of the Apprenticeship Levy for a financial year (April – March each year).				
History of this Indicator	In the last financial year (April 2019 to March 2020), we spent approximately 34% of our levy funds (total input into the levy was £27,479, spend was £9,263.11).				
2019/20 Baseline Data	1.2% (4 apprentices)				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	>2.3% of head count	4 (1.2% of head count)	4 (1.2% of head count)	5 (1.5% of head count)	5 (1.5% of head count)
2021/22	>2.3%	3 (0.9% of head count)	6 (1.84% of head count)	6 (1.84% of head count)	6 (1.84% of head count)
2022/23	>2.3% of head count	6 (1.84% of head count)	6 (1.82% of head count)	6	9 (2.47% of workforce)
2023/24	>2.3% of head count	8 active apprenticeships - 2.1% of the workforce	10 (? of head count)	10 apprentices - 2.6% (above target)	10, 2.6% workforce (above target).

Performance Overview - Quarterly Update	Actions to sustain or improve performance
<p>We are above the 2.3% target for apprenticeships at the end of 2023/24.</p> <p>February 2024 saw us celebrate National Apprenticeship Week, with posts on social media and internal communications about success stories and opportunities available. A highlight was colleagues attending a talk hosted by Burton and South Derbyshire College on supporting the government's newest initiative, T Levels, in the future, for which several colleagues expressed an interest by the end of the session. This was also part of our commitment to invest in our relationship with Burton and South Derbyshire College and we are looking forward to enhancing this throughout 2024-2025.</p> <p>The outlook for this positive trend looks good, with Corporate Property re-hiring into their apprentice role, Operational Services committing to one LGV Mechanic role per year. Legal and Democratic Services have had their apprenticeship post approved, meaning there is a growth in roles available.</p> <p>It's positive to see we had no expired funds in Quarter Four, again showing our spend against levy payments is well-balanced with a healthy reserve (see below) for future commitments.</p> <p>Current Levy Funds: £80,185 Q4 Levy Funds Gained: £13,500 Q4 Spend: £12,544.18 Q4 Expired Levy: £0</p>	<p>A meeting has been held between Burton and South Derbyshire College and the Learning and Development Officer to facilitate a closer working relationship with one another, and initial discussions looked at ways of selling apprenticeships to existing colleagues and Heads of Service when considering new posts. This will be continued throughout 2024-2025.</p> <p>PDRs will begin in June 2024 and the redesigned paperwork still maintains a commitment to asking colleagues to consider apprenticeships when considering their learning and development needs.</p> <p>Our second upskilling session commences in May 2024 to support apprentices with their personal and professional development.</p>

Priority: Our People

P3.4 Investing in our workforce

Measure and Reference	P3.4C Average number of staff days lost due to sickness	Committee	F&M		
Definition	The measure is designed to monitor the levels of employee absence from work due to ill-health. The target of eight days is in line with targets/performance nationally.	Why this is Important	Reducing the number of absences will provide an indication of the health and wellbeing of the workforce and reduce the impact on service delivery, resulting in savings arising from the payment of Occupational and Statutory Sick Pay and any secondary costs		
What Good Looks Like	To see a downward trend in the average number of working days lost per employee over four years and be in line with the rates for comparable sized district/borough Councils.				
History of this Indicator	This indicator has formed part of the corporate performance indicator set for a number of years. (2018/19 -11.38, 2017/18 -11.63)				
2019/20 Baseline Data	2018/19 - 11.38 days 2019/20 10.65 days				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Downward trend	3.68	8.01	11.6	12.93
2021/22	Downward trend	2.11	4.79	7.55	10.28
2022/23	Downward trend	2.47	4.41	7.10	9.64
2023/24	Downward trend	2.11	4.17	7.44	9.54
Performance Overview - Quarterly Update		Actions to sustain or improve performance			
<p>The fourth quarter outturn figure is lower than the previous quarter (2.11 for quarter 4 and 3.24 at quarter 3). The end of year outturn figure is 0.10 days lower than the previous year at 9.54 days per employees compared to 9.64 in 2022/23.</p> <p>The number of employees on long-term sick has been consistent during the quarter with</p>		<p>With the support provided by HR, the cases of long-term absences and a review of repeated short terms absences are being managed in line with the Attendance Management Procedure (AMP).</p>			

<p>actions taken to enable employees to return to work as soon as possible.</p> <p>The number of long-term absences has exceeded the number of days lost to short term absence.</p> <p>All cases are being managed in line with the Attendance Management Procedure and each case has a dedicated HR Officer supporting the Manager. Monthly reports on levels of absences, reasons and trends are completed and provided to the Leadership Team.</p> <p>Benchmarking Information</p> <p>East Midlands Councils complete an annual survey with authorities in the East Midlands. For the reporting year 2022/23, 75% of councils provided data and the average number of days lost by authority type are;</p> <p>District/boroughs with in-house services (Refuse/ /Housing DLO) = 9.56 days per person</p> <p>District/boroughs without in house services = 9.03 days per person</p> <p>Our outturn figures will be 0.02 days lower than comparable Councils within house services in 2022/23.</p> <p>Absence levels in County's were reported as 10.97 days and Unitary at 10.52 days per person.</p> <p>It was a 50/50 split in responses from Council showing an increase or decrease from the number of days reported in the previous year.</p> <p>70% of Councils reported that the main cause of absence was linked to long term absences (using their own definitions).</p>	<p>Training is provided in stress awareness and mental health along with a range of supporting materials made available for managers and employees. Mandatory training is also provided in managing absences from work for managers and supervisors.</p> <p>In quarter 4, a new mandatory course for Managers on Mental Health Skills for Managers from MHFA for England resources has commenced.</p> <p>Health and wellbeing interventions will also continue to be made available to staff. This will include training, videos and materials; raising awareness of the importance of physical health and reminding all employees to seek support should they need it.</p> <p>A campaign to support the national Mental Health Awareness week in quarter 1 2024/25 is being held with the support of external partners.</p> <p>Additional on-site Occupational Health clinics or referrals will also be made to provide professional, independent medical advice on any cases before decisions are taken on the employees continued employment.</p> <p>Work will continue on progressing new ways of flexible working that will enable services to continue to be delivered remotely where possible subject to meeting the needs of customers. The impact on levels of employee attendance is expected to be positive and this will be kept under review.</p>
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Priority: Our People

P3.4 Investing in our workforce

Measure and Reference	P3.4D The Council has a positive Health and Safety culture		Committee	F&M	
Definition	The purpose of this performance indicator is to see an increased trend in the delivery of health & safety training and to ensure the Council's Health & Safety Policy is robust and up to date.		Why this is Important	The Council has statutory duties under the Health and Safety at Work Act 1974 to ensure the health and safety of the workforce. This measure will indicate how well the statutory duties and other non-statutory activities are being implemented.	
What Good Looks Like	Upward trend in Health and Safety mandatory training and up to date health and safety policy.				
History of this Indicator	New indicator – No previous history available				
2019/20 Baseline Data	New Indicator - No baseline data				
Reporting Year	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	Upward trend	Reported annually in Q4	Reported annually in Q4	Reported annually in Q4	Postponed until early 22/23
2021/22	Upward trend	Postponed until early 22/23	Postponed until early 22/23	Postponed until early 22-23	Postponed until early 22-23
2022/23	Proxy - establish baseline	27 employees trained	N/a	Postponed 22-23	81%
2023/24	Annual upward trend in the delivery of Health and Safety mandatory training (>81%) and an up-to-date health and safety policy	72%	75%	73%	86% of mandatory H&S training delivered. Approved Health & Safety Policy implemented.
Performance Overview - Quarterly Update			Actions to sustain or improve performance		
Policy and Procedures During quarter 4 key H&S procedures have been reviewed and updated.			To ensure all members of staff have the opportunity of attending Health and Safety awareness training, two sessions a month		

<p>The Health and Safety Action Plan has been drafted for 2024/25 and was approved by the Health and Safety Committee on 17 April 2024.</p> <p>Incidents and near misses During quarter 4, there have been a total of 13 incidents and five near misses.</p> <p>Training Overview A number of sessions were delivered during the quarter including H&S Awareness, Stress Awareness, Environmental Awareness and Manual Handling.</p> <p>Lone working The use of the SoloProtect devices remain part of the lone working arrangements in place across all service areas. Lone working has been supplemented by the continued updating and sharing of the Potentially Violent Person Register.</p> <p>Campaigns Rosliston Forestry Centre have been trailing the QR code to log near misses since 1 February 2024. It is now planned to extend this trail, with supporting resources, into other service areas.</p> <p>Depot The trial using hydrogen has come to an end, and the hydrogen tank and the other equipment associated with the trial has been removed from the depot. The outcomes of the trial are currently being assessed.</p>	<p>will continue to run.</p> <p>A safety inspection took place around the Civic Office building, and several issues were highlighted. Remedial works to the building will be completed by Corporate Property services and other matters raised with the Head of Service/line manager that relate to working practices. Joint safety inspections will be conducted every six months and will include other Council buildings where staff work from – Depot, Rosliston and Oakland village (office space only).</p> <p>The revised Health and Safety action plan 2024 / 2025 will be in place and will be focussing on campaigns, better and more efficient incident reporting, and developing the functionality of AssessNET to improve the management and control of risk assessments.</p>
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Quarter 4, 2023-2024 Chief Executive Risk Register

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY <i>Strategic, Resource Operational Financial Knowledge management Compliance, Partnership</i>	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CE1	Economic development partnerships	Failure of economic development partnerships	Leading to an adverse impact on businesses and local economy	Partnership	2	2	4	<ul style="list-style-type: none"> Proactive engagement in partnerships and with individual partners. Commitment of officer time and resources to partnership activities. 	1	2	2	<ul style="list-style-type: none"> Monitoring of projects and performance. 	No change in Q4.	Head of Economic Development and Growth
CE2	South Derbyshire Partnership working	Failure of the South Derbyshire Partnership	Leading to non-delivery of the community's vision and priorities set out in the Community Strategy	Partnership / Strategic	2	3	6	<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. 	1	3	3	<ul style="list-style-type: none"> Monitoring of projects and performance by Strategic Co-ordinating Group. 	No change in Q4.	Head of Economic Development and Growth
CE4	Effectively manage the election process and canvassing.	Failure of joined up Council approach	Leading to a failed election process	Strategic	2	2	4	<ul style="list-style-type: none"> Elections Project Team in place and meets as necessary with representatives from all services involved. Arrangements in place for an Election to be called at short notice. Arrangements in place for Referenda/By-Elections to be called. 	1	2	2	<ul style="list-style-type: none"> Monitoring of service delivery under review consistently 	No change in Q4.	Head of Legal and Democratic Services

Risk Matrix Template

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

Impact	Very High (4)	4	8	12	16	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: red; margin-right: 5px;"></div> 12-16 <div style="width: 15px; height: 15px; background-color: orange; margin-right: 5px;"></div> 6-9 <div style="width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> 1-4 </div>	Significant Risk Medium Risk Low Risk
	High (3)	3	6	9	12		
	Medium (2)	2	4	6	8		
	Low (1)	1	2	3	4		
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)		
		Likelihood					

Impact	Thresholds and Description
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000, adverse local media attention, breaches of local procedures
3 – High	Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation
Likelihood	Thresholds and Description
1 – Remote	May occur only in exceptional circumstances (e.g. once in 10 years)
2 – Possible	Unlikely to occur but could at some time (e.g. once in three years)
3 – Probable (in two years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months)

Corporate Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

Impact	Very High (4)				
	High (3)	CE2			
	Medium (2)	CE1, CE4			
	Low (1)				
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)
		Likelihood			

CE1	Economic development partnerships	Failure of economic development partnerships
CE2	South Derbyshire Partnership working	Failure of the South Derbyshire Partnership

CE4	Effectively manage the election process and canvassing.	Failure of joined up Council approach
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Quarter 4, 2023-2024 Corporate Risk Register

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR1	Universal Credit (UC)	Ongoing changes to the welfare system and Universal Credit impact on resources in Benefits and Customer Services.	Resources allocated to the team are not in line with workload demands.	Financial and Resource	4	1	4	<ul style="list-style-type: none"> The Local Council Tax Reduction Scheme has been redesigned to improve the customer experience and make it easier/more efficient to administer. The scheme was adopted by the Council in February 2022 and is in place from 2022-2023. A service review will ensure the team is flexible and can adapt to changes in workload in future years. Following a major system upgrade, improved document management functions, the introduction of a linked CRM system and automation are being explored to increase productivity within the team and improve interaction with customers. The Customer Service Advisor post has been recruited. DWP UC migration notices will begin to be issued to tax credit (CTC/WTC) only claimants in South Derbyshire from August 2023. The Benefits Subsidy and Compliance Manager has reduced working hours to part time, a review of the Benefits Team structure is to be undertaken to ensure technical knowledge is retained within the team and a comprehensive succession plan is in place for the future. Continually monitor the workload and resources allocated to the team. 	2	1	2		No change in Q4	Head of Customer Services
CR2	Fraudulent activities	The possibility of fraud being undetected.	National studies show fraud leads to a significant loss of resources within the Public Sector as a whole.	Financial and Reputational	4	3	12	<ul style="list-style-type: none"> The Council has a Shared Service Arrangement with Derby City Council which supports the delivery of the Council's Anti-Fraud & Corruption Plan, which aims to introduce stronger anti-fraud processes across council tax, business rates, benefits, Right to Buy, social housing, supported accommodation and wider service areas. The unit also delivers fraud awareness training across the Council. This agreement was extended for 2023-2024. Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real-time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner. Single Person Discount checks on Council Tax are also regularly undertaken. 26 mandatory staff training sessions have been delivered to employees by Derby City Council. The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee. Regular meetings held with Derby City Council. 	2	2	4		No change in Q4	Head of Customer Services

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								<ul style="list-style-type: none"> Audit Sub Committee approved the latest Fraud and Anti-Corruption Action Plan in December 2023 						
CR3	Procurement Services	Limited resources to enable good quality advice and support for Services.	The Council does not have its own procurement department	Resource	4	4	12	<ul style="list-style-type: none"> The Council is part of a Shared Service Arrangement with other Derbyshire Agencies and has access to a wider pool of resources for support and advice. Review of internal resources available to manage procurement complete, with new permanent internal resource due to be approved in 2024/25 budget. Interim Procurement Manager appointed to assist with retendering exercise of shared service. Competitive tender exercise for procurement advice and support in scoping stage, due to conclude September 2024. Cross-council multidisciplinary officer group, "Spend Matters" mobilised to develop the Council's procurement and contract management approach. Discussion with neighbouring council underway to bolster resilience in approach. 	4	2	8	Review and update the Council's Procurement Strategy and Contract Procedure Rules – March 2025 Re-procure procurement support arrangement – October 2025. Instigate spend analysis.	Inherent risk rating and post mitigation rating amended to reflect current position. Additional existing mitigations added, and new actions acknowledged	Executive Director - Resources and Transformation
CR4	Public Building	Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.	Funding available within the budget provisions to deliver the planned maintenance programme.	Financial and Compliance	2	3	6	<ul style="list-style-type: none"> The additional repairs reserve has addressed the risk in the short term. Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets. The safety measures identified within the Covid-19 risk assessments have been implemented. Continually monitor and review the repair budgets to ensure adequate funding is available for the Planned Maintenance Programme going forward. 	2	2	4	No change in Q4.	Head of Corporate Property	

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR7	Payroll Service	There is no additional capacity or expertise within the team to cope with any down time.	Employees and members not receiving payments due is significant.	Resource	4	4	16	<ul style="list-style-type: none"> A report was approved in August 2021 for the approval to look into a new system or provide additional resources. There is a support function for payroll provision available to the Council from the supplier of the payroll software which can be utilised in an emergency. Discussions regarding cover of the payroll service are currently underway with the software supplier to make the detail more formal. 	1	2	2	An options paper has been presented to the Leadership Team regarding the provision of payroll service and quotes are being obtained from third parties.	Updated to reflect an options paper has been presented to Leadership Team and next steps.	Head of Finance
CR9	Transformation Compliance	Committing to already allocated resources or finances of projects outside the annual work programme for ICT and Business Change	The Council has signed up to a Transformation Roadmap which would be adversely affected and not delivered therefore failing the corporate plan target.	Strategic	4	2	8	<ul style="list-style-type: none"> Ensure all Heads of Service are aware of the roadmap and the implications of adding additional projects. Ensure Transformation Steering Group members understand when they are involved in other work how that affects the ability to deliver critical transformation projects. An overview report was presented at F&M Committee in April 2024 to outline the new work portfolio. Projects on the Customer and Digital roadmap will be reported to the Leadership Team on a quarterly basis. 	3	2	6		Mitigating actions updated to include quarterly reporting to the Leadership Team and an overview report was presented at F&M Committee to outline the new work portfolio.	Head of Business Change, ICT, Digital
CR10	Banking and Counterparty Limits	Authorised signatories being unavailable, Internet failure resulting in no access to the bank accounts.	Result in a breach of the approved counterparty limits set by the Council.	Resource	4	3	12	<ul style="list-style-type: none"> Annual leave and meetings of both approvers and administrative functions are monitored by the team to ensure any potential risks are mitigated. 5 administration staff have responsibility for setting up transfers of cash therefore any external internet failure is mitigated by having at least 2 other staff to take over the process. There are 3 approvers for banking transactions, 2 of which are the S151 and Deputy S151 Officers. At least 1 of these officers is always available for approvals. Cash flow forecasts are updated daily, and any known transfers are set up in advance. The risk of the Internet failure is mitigated through risk CR23. 	1	1	1		No change in Q4.	Head of Finance

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR11	Failure of systems external to Finance	The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.	Impacts of Customer accounts and financial statements not being up to date with cash paid and the FMS not including all assets and liabilities resulting in potential qualification of the Financial Statements.	Compliance and reputational	2	3	6	<ul style="list-style-type: none"> An annual maintenance fee is paid to the system providers for system support and disaster recovery. Daily reconciliations of cash are completed by the Finance team to ensure that any failure is recognised immediately. To prevent any reputational issues, a major failure would result in debt collection reminders being delayed. Bank accounts are also reconciled daily, and any missing cash files would be manually transferred into the FMS to ensure the Debtor position is correct. Council Tax, Business Rates and Housing Benefit interface files are reconciled monthly but the processing of the interface files is a manual task so any failure of file generation would be recognised immediately and reported to the IT Helpdesk. An upgrade to the Academy system has taken place. 	1	1	2		No change in Q4.	Head of Finance
CR12	Government Funding - a reduction in core funding	As a growth area, the Council's proportion of core (Government) funding is heavily reliant on the New Homes Bonus (NHB) and Business Rates, and this has started to reduce.	The Council's core funding was reduced by £418,000 between 2021/22 to 2022/23 and by a further £100,000 in 2023/24. If this trend continues, then the Council will need to review its income and expenditure ahead of the MTFP.	Financial	4	3	12	<p>Financial Planning</p> <ul style="list-style-type: none"> The Council plans its finances over five years for the General Fund and 10 years for the Housing Revenue Account. Its financial target of achieving a minimum level of contingency balance on a rolling five-year basis allows for a planned and timely approach to address any financial difficulties. The Medium-Term Financial Plan (MTFP) is regularly reviewed, updated, and reported to the Finance and Management Committee on a quarterly basis. <p>Current Financial Position</p> <ul style="list-style-type: none"> Overall, the General Fund currently shows a healthy position due to the level of reserves, although the medium-term projection forecasts an increasing deficit in future years as it highlights increasing expenditure to meet the population growth, but a reduction in Government funding. Projected budget deficits could be financed from reserves if required, although this would become unsustainable after 2025/26. The Council has approved that no new revenue spending, over and above that approved by the Council in February 2023, is committed until the medium-term situation becomes clearer. Draft budget position for 2024/25 is deficit of £700k. 	4	3	12	Mobilise the Sustainable Finance Plan with Leadership team.	Mitigating actions have been updated to reflect the current position.	Executive Director - Resources and Transformation

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								<ul style="list-style-type: none"> Medium Term Financial Strategy approved by Council April 2024. 						
CR13	The Economy - the impact of the national economic situation locally.	Rising inflation and a gap in the supply of materials, services, and labour.	Rising costs, the availability of materials and pressure on recruitment and retention.	Financial	4	3	12	<p>Support for Local Businesses</p> <ul style="list-style-type: none"> The Government has provided various funding and support for local businesses and residents to help them overcome the impact of Covid-19 and more latterly, with support for energy bills and the cost of living. <p>Regeneration</p> <ul style="list-style-type: none"> In addition, major residential development has largely continued and following an initial downturn in planning applications in April 2020, they have since shown a strong and sustained upward turn. The Finance and Management Committee approved a new capital investment programme of approximately £4 million on 8 October 2020 which is providing resources for investment in regeneration and community projects. <p>Treasury Management</p> <ul style="list-style-type: none"> The MTFP is not reliant on interest rates increasing from the current level to generate revenue on its reserves and balances. Recent increases in interest rates are a direct benefit to the Budget. Apart from debt associated with its Council Housing, the Council is debt free. Regarding the HRA debt, this is now all fixed interest rates and is affordable within the Housing Revenue Account's financial plan. <p>Base Budget</p> <ul style="list-style-type: none"> The Council's draft budget for 2024/25 has been based on extensive service area engagement and includes sufficient coverage based on known information. 	2	3	6		No change in Q4	Executive Director - Resources and Transformation

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR14	Technology, Data and Security – keeping pace with developments in IT, together with the management and security of data	There is a potential security risk for running outdated or unsupported systems. Employees not following due process in relation to IT and data security.	There is potential to loss operational data and for reputational damage, together with possible fines, should a data breach occur.	Strategic	4	4	16	<p>IT Upgrades and Development</p> <ul style="list-style-type: none"> The Council has an ICT replacement programme in place which directs hardware and corporate infrastructure upgrades. This is resourced through provision in the IT base budget, together with an IT Asset Replacement Reserve. New laptops, smartphones and an upgrade to Microsoft 365 was completed in 2020. <p>Security of Systems</p> <ul style="list-style-type: none"> The Council is currently compliant with the Government’s Public Services Network requirements. Regular Internal Audit Reviews test the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being reported to and monitored by the Audit Sub-Committee. Due to potential virus attacks, measures are in place to restrict Internet access and to control the use of mobile devices. Continually updated and patched digital estate including firewall servers and antivirus. <p>Security of Data</p> <ul style="list-style-type: none"> Regular briefings and guidance documents are issued to raise awareness of data and security issues. An E-learning package is completed annually by all Officers with access to Council systems and equipment. The Council’s Data Protection Officer has direct access to the Leadership Team on matters concerning Information Governance. Whilst staff have been working remotely communications have been sent to remind of the dangers of cyber-attacks. The security in place is the same for end users regardless of location therefore hardware and software need no special arrangements in response to COVID working practices, however staff are the first, last, strongest, and weakest chain in our defences. A mandatory Cyber Security e-learning package must be completed annually. A number of procedures and policies are also in place that mandate more secure ways of working such as no use of personal email addresses and devices, information classification and encryption. The Council is currently upgrading its telephone infrastructure to enable full compliance with the Payment Card Industry (PCI) 	3	3	9	The Information Security and Acceptable Use Policy was approved by Leadership Team and is now undergoing further consultation.	Security of Data - further actions have been updated to confirm the Information Security and Acceptable Use Policy was approved by Leadership Team and is now undergoing further consultation.	Head of Business Change, ICT, Digital

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								regulations. The implementation of actions to strengthen security and the safeguarding of data subject to PCI, are being monitored by the Audit Sub-Committee. <ul style="list-style-type: none"> An updated Member IT protocol has been agreed by Finance and Management Committee and was presented at Full Council on the 2nd November 2023. Induction process for all new starters as part of the employee lifecycle The Learning & Development Officer will provide quarterly reports to the Head of BC&ICT to confirm the % of staff who have completed the E learning training. 						
CR16	Business Continuity	Flu Pandemic Fuel Shortage Loss of Buildings ICT Failure	Loss of Service provision	Operational	3	4	12	<ul style="list-style-type: none"> Some aspects of this risk can be transferred as business interruption cover is in place as part of the Council's Property Insurance Policy. Business Continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. The Council buys in support from Derbyshire County Council to ensure that the Council's plans remain up to date. Risk assessments and action plans are in place and resources made available to provide employees with the equipment to work from home wherever possible as well as access to resources to support their physical and mental health and wellbeing. The Council continues to deliver all of its services. This is being undertaken within national guidelines and in conjunction with other agencies in Derbyshire. Guidance is being provided to staff and the public regarding on-going services and to help protect health and well-being. A new Flexible Working Policy was implemented on Friday 1st July. This allows staff to work remotely and at different sites within the needs of customers and the Service. Regularly review of the Flexible Working Policy undertaken. Reports submitted to F&M Committee in January and February 2023 on the implementation of the Flexible Working Policy, Elected Member Plan and Business Continuity plan is available. Business continuity exercise and training of Leadership Team, Heads of Service and Members undertaken February and April 2024. 	3	3	9	Service area Business Continuity plans to be created by all service areas.	Mitigating actions and further actions updated.	Executive Director - Resources and Transformation

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CR17	Capacity and Resilience	Recruitment/retention of difficult to recruit/retain posts.	The Council will be unable to deliver the key priorities set out in the Corporate Plan and in addition services will be severely impacted upon	Operational	4	3	12	<ul style="list-style-type: none"> Job Evaluation Framework is being reviewed further actions progressed in line with the People Strategy. The Market Supplement Policy was presented to F&M Committee on the 25th April 2024 and was approved. 	3	2	6	<p>People Strategy is being developed and will be presented to F&M Committee in September 2024.</p> <p>Job shadowing opportunities to be considered as part of the apprenticeship offering.</p>	Further actions updated to confirm the committee date for the People Strategy, and that consideration of job shadowing will be considered as part of the apprenticeship offering.	Head of Organisational Development
CR18	Terrorism and potentially violent situations	As a public body there is a potential for the Council and its workforce to become a target.	From time to time, members of the workforce do face individual threats while undertaking their duties.	Operational	3	4	12	<ul style="list-style-type: none"> Lone working systems in place including a 'Solo-Protect' warning and call for assistance system. A Potentially Violent Persons Policy and a potentially violent persons Register is in place and subject to regular review and update. Alarms and warning system in place in the Civic Offices. Monitoring and review of systems in place; learn from incidents and near misses. 	3	3	9	No change in Q4.	No change in Q4.	Head of Organisational Development
CR19	Statute and Regulation	Failure to meet requirements.	There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.	Compliance	4	3	12	<ul style="list-style-type: none"> This applies to many Council services. In general, the necessary skills and resources are in place to ensure that the Council meets its statutory duties. In addition, the Council's Constitution, policies and procedures aim to support strategic and regulatory delivery. <p>Note: Some aspects of this risk can be transferred as the Council has insurance cover in place. If the failure rises due to an action of an employee during the normal course of their duties, it is covered under the Official Indemnity (accidental or negligent act) or Professional Indemnity (breach of professional duty) Policies.</p>	3	3	9	<p>Initiation of Housing Services Working Group and development of action plan, following report to Council 11/04/2024 and self-referral to the Housing Regulator for non-compliance with the Housing Consumer Standards.</p> <p>Additional resources to be secured.</p> <p>Wider review of Housing Service undertaken and</p>	<p>Further actions updated to reflect acknowledgement in Q4 of need to self-refer to the Social Housing Regulator</p> <p>Risk ratings adjusted on basis of legislation and regulatory changes for Council Housing.</p>	Executive Director - Resources and Transformation

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER	
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING				
CR20	Health and Safety	The potential to contravene Health and safety procedure, practice and legislation through non-adherence to safe systems of work, risk assessments and associated work practices.	Serious harm through incidents and near misses	Compliance	4	4	16	<ul style="list-style-type: none"> The Council employs a Health and Safety Officer. All employees are provided with the relevant training, resources and PPE required for their role. An on-going mandatory training programme is in place for all staff and occupational specific training for parts of the workforce where there is a greater risk of an accident. Incidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures. The pilot to capture data for near misses has been rolled out Q4 2023-24, monitoring and review of incidents and near misses will continue. Risk assessments are regularly undertaken, and procedures updated when necessary. Monthly and quarterly meetings are held to review health and safety performance and compliance. An independent review of the Councils Health and Safety Culture and Behaviour is planned to be completed in 2024/25. The Health and Safety Policy has been reviewed and approved at the Health and Safety Committee on the 24th January 2024. Health and Safety procedures are being reviewed and will be shared across the Council with supporting resources and training as appropriate. 	3	2	6	All current health and safety related procedures to be reviewed and updated.	Mitigating actions updated to advise the H&S Policy was approved at F&M Committee and H&S procedures are being reviewed.	Head of Organisational Development	
CR21	Managing the environmental impact of incidents across the district	Incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which	Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage.	Strategic	2	3	6	<ul style="list-style-type: none"> The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the district. The Derbyshire Resilience Partnership (DRP) was formed in 2023 following a review of countywide emergency planning arrangements. The Council is accredited to the prestigious international ISO 14001 standard for Environmental Management. 	2	2	4	The implications of the formation of the DRP are working through and may result in local changes. Topic specific DRP working groups are being formed which relevant	Mitigating actions and further actions updated to reference the DRP.	Head of Environmental Services	

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
		contaminates land or water courses						<ul style="list-style-type: none"> The Council has also declared a "Climate Emergency" and has a Corporate Steering Group to oversee an action plan to reduce the Council's carbon footprint and become carbon neutral as an organisation by 2030. (See Risk below CR22) 				SDDC officers will fully engage with.		
CR22	Climate Emergency	The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the district by 2050.	Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage.	Strategic	4	3	12	<ul style="list-style-type: none"> Achievement of the carbon reduction ambitions are mainly vested in our Climate and Environment Strategy and Climate & Environment Action Plan. The Action Plan contains planned and programmed actions and will be reviewed annually. It has quantified the estimated net financial costs and net carbon savings associated with the contents of the Plan. The Plan includes a calculation of the contribution of each action to the carbon reduction trajectory, along with the calculated shortfall in carbon reductions. Attaining the targets in the Plan is one of the Corporate Plan Key Performance Indicators. Whilst the action plan has been agreed it does contain six Transformation Actions which are central to achieving net zero and for which funding has not been committed. The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various windfall opportunities for interventions in between the annual Plan revisions where these are considered likely to make significant impacts on reducing emissions. Emerging statute is expected to exert significant influence over the Council's operations and indirect influence in relation to climate change. The Council Plan addresses the majority of the Councils significant sources of carbon emissions. 	3	3	9	A 2024 iteration of the Climate & Environment Action Plan will be published in Summer 2024.	Further actions updated to confirm a 2024 iteration of the C&E Action Plan will be published in 2024. The approved Council Plan includes most of the Transformation Actions required to enable the Council to stand a realistic prospect of being net zero by 2030. The risk rating after mitigating actions has been reduced to take into account the actions.	Head of Environmental Services

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR23	Internet Connection	The effects of the internet connection becoming unavailable for a length of time would be a major incident.	Most applications whether they are onsite or hosted will need the Council's internet connection to be active for their use. There is only one ISP in Swadlincote. Therefore, if the cable is damaged or the service is disrupted, no internet connection will be available.	Strategic	2	4	8	<ul style="list-style-type: none"> New RA02 Circuits are being procured which have been specified with a resilient line. Although full resilience isn't proved due to a single supplier, the lines are coming from different exchanges so both would have to be out of service for a total loss of connection. There are options to make some services available over alternative connections, be that personal or business, if needed. Smartphone users can use the mobile data connection to access outlook and teams, etc. 	2	3	6	The ICT department are reviewing further resilient options, part of this includes a new proxy service, the costs have been included in the budget setting process. The work will begin in April 2025 and is scheduled to be completed in Summer 2025.	No change in Q4	Head of Business Change, ICT, Digital
CR24	Technical Resource	The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational	Availability of resource to conduct and support Council meetings. Availability of resource to support day to day operations and projects.		3	3	9	<ul style="list-style-type: none"> The COVID-19 Fund is being used to finance an agency resource. The introduction of the post has offered relief for first line calls and Committee meetings. The agency resource is more expensive than an established post and is not a permanent solution. Finance and Management Committee agreed an additional support post in Quarter 4 2023-2024 ICT structure will be reviewed in-line with corporate employment and operating model. Continually review and monitor support tickets. 	3	2	6		F&M Committee agreed an additional support post in Q4.	Head of Business Change, ICT, Digital
CR26	Supply Chain	CR26a National shortage of drivers to undertake HGV driving.	CR26a Changes to IRS rules have led many agency drivers to take permanent positions.		4	3	12	<p>CR26a National shortage of HGV drivers/production of new vehicles:</p> <ul style="list-style-type: none"> Training opportunities for existing employees are still in place. Vacant drivers posts to be recruited through agencies to ensure driver standards and understanding of job role. Driver salary supplement required to match local market conditions. New apprentice scheme for HGV mechanics, one apprentice to start each academic year and provide a continual stream of qualified mechanics for the service. £10k salary enhancement agreed for HGV mechanics, to support recruitment and retention of staff, review in 2026. 	3	3	9	<p>CR26a HGV driver training is being offered to existing staff; HGV apprenticeships are being explored as longer-term HGV plan for recruitment.</p> <p>Parts supply at vehicle manufacturers is improving but lead times are still excessive to 30+ weeks for any new RCV's.</p>	<p>CR26a (Operations) Current HGV salary at SDDC is not as competitive as local market, additional payment supplement for HGV drivers will be reviewed as part of the</p>	Head of Operational Services

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
		<p>CR26b There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles.</p> <p>CR26c National shortage of materials.</p>	<p>CR26b Could potentially impact fleet purchases and the supply of computer equipment.</p>				<ul style="list-style-type: none"> A report on the continuation of additional payments for HGV drivers and Mechanics was approved by Committee in Oct 2022 and March 2023. Additional payments for HGV drivers will be reviewed as part of the Market Supplement Policy and Procedure. <p>CR26b Global shortage of microchips: No immediate concerns over purchase of new vehicles, if situation deteriorates then the Team will look to source ex-demonstrator vehicles or nearly new/used vehicles. Short-term hire will also be considered where appropriate.</p> <p>The shortage of semiconductors, a key component part in almost all modern electronics, is having a large effect on production of many products. Cars and computer equipment are high profile products to suffer supply chain problems. The only way to combat this problem in relation to purchase of new equipment is to order early and allow up to six months for delivery. Where practical and financially viable orders can be made before the need arises. A good example could be purchase of a new laptop after members approve the post rather than after the candidate has accepted the post and will be starting in a matter of weeks.</p> <p>CR26c National shortage of materials.</p> <ul style="list-style-type: none"> The Council is on track for procuring a new repairs and maintenance contractor, as the current arrangements will cease in July 2024. SDDC have procured additional repair material provider to provide certainty of supply, higher risk is now of skilled labour shortage. 				<p>CR26c Renegotiation of programmes/rates for major improvement schemes.</p>	<p>Market Supplement Policy and Procedure.</p> <p>A second apprentice mechanic commenced work in the service in February 2024.</p> <p>Recruitment of HGV driver vacancies continues.</p> <p>CR26b No change in Q4 (ICT)</p> <p>CR26c Mitigating actions updated to reference the progress on procurement of new repairs and maintenance</p>	<p>Head of Business Change, ICT, Digital</p> <p>Head of Housing</p>	

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								<ul style="list-style-type: none"> New rates have been agreed for repair and maintenance work streams. An additional contractor has now been procured through the Efficiency East Midlands Framework to complete work on voids properties. 					contractor in July 2024.	
CR27	External audit of the Council's accounts	Increased length in time for the external audit of the Council's accounts.	Making decisions, managing finance challenges, and planning for the future with limited assurance about the underlying financial position.	Financial and Compliance	4	3	12	<ul style="list-style-type: none"> The Council's accounts and outturn position is reported annually in July. Annual reporting satisfies stewardship and accountability for public resources. Government returns are completed quarterly and annually giving comparators to previous years, which highlights major discrepancies. Government/CIPFA recommendations for improvements to the service to be kept under review. The Council has been awarded by the PSAA (Public Sector Audit Appointments) a new audit partner, Mazars, who will be auditing the Council's accounts for next five years. Working relationships have been established with the audit partner. 	3	3	9	<p>The National Audit Office (NAO) have launched a consultation on amending the code of audit practice to require auditors to issue audit opinions according to statutory back stop data for historic audits (back stop date - September 2024.)</p> <p>This will allow auditors to produce a single value for money commentary for the Council's accounts dating 2021/22 and 2022/23.</p>	<p>Mitigating actions updated to confirm the Council has been awarded a new auditor and the further action have been updated to advise a value for money commentary will be provided for accounts dating back to 2021/22 and 2022/23.</p>	Head of Finance

Risk Matrix Template

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

Impact	Very High (4)	4	8	12	16	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td style="background-color: #FF0000; color: white; text-align: center;">12-16</td></tr> <tr><td style="background-color: #FFD700; text-align: center;">6-9</td></tr> <tr><td style="background-color: #008000; color: white; text-align: center;">1 - 4</td></tr> </table>	12-16	6-9	1 - 4
	12-16								
	6-9								
	1 - 4								
High (3)	3	6	9	12	Significant Risk				
Medium (2)	2	4	6	8	Medium Risk				
Low (1)	1	2	3	4	Low Risk				
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)				
		Likelihood							

Impact	Thresholds and Description
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000, adverse local media attention, breaches of local procedures
3 – High	Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation
Likelihood	Thresholds and Description
1 – Remote	May occur only in exceptional circumstances (e.g. once in 10 years)
2 – Possible	Unlikely to occur but could at some time (e.g. once in three years)
3 – Probable (in two years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months)

Corporate Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

Impact	Very High (4)				
	High (3)		CR13, CR23,	CR14, CR16 CR18, CR19, CR27, CR22, CR26	CR12
	Medium (2)	CR7, CR8,	CR2, CR4, CR21	CR9, CR17, CR20, CR24	CR3
	Low (1)	CR10, CR11, CR15	CR1		
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)
		Likelihood			

CR1	Universal Credit (UC)	Ongoing changes to the welfare system and Universal Credit impact on resources in Benefits and Customer Services.
CR2	Fraudulent activities	The possibility of fraud being undetected.
CR3	Procurement Services	Limited resources to enable good quality advice and support for Services.
CR4	Public Building	Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.
CR7	Payroll Service	There is no additional capacity or expertise within the team to cope with any down time so the risk of.
CR9	Transformation Compliance	Committing to already allocated resources or finances of projects outside the annual work programme for ICT and Business Change
CR10	Banking and Counterparty Limits	Authorised signatories being unavailable, Internet failure resulting in no access to the bank accounts.

CR11	Failure of systems external to Finance	The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.
CR12	Government Funding	A reduction in core funding
CR13	The Economy	The impact of the national economic situation locally.
CR14	Technology, Data and Security - keeping pace with developments in IT, together with the management and security of data	There is a potential security risk for running outdated or unsupported systems. Employees not following due process in relation to IT and data security
CR16	Business Continuity	Flu Pandemic, Fuel Shortage, Loss of Buildings, ICT Failure
CR17	Capacity and Resilience	Service demand and loss of skills
CR18	Terrorism and potentially violent situations	As a public body there is a potential for the Council and its workforce to become a target.
CR19	Statute and Regulation	Failure to meet requirements.
CR20	Health and Safety	the potential to contravene regulations through bad practice.
CR21	Managing the environmental impact of incidents across the district	Incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses
CR22	Climate Emergency	The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the district by 2050.
CR23	Internet Connection	The effects of the internet connection becoming unavailable for a length of time would be a major incident.
CR24	Technical Resource	The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational
CR26	Supply Chain	EU shortage of materials to manufacture coloured plastic. National shortage of agency drivers to undertake HGV driving. There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles,
CR27	External audit of the Council's accounts	Increased length in time for the external audit of the Council's accounts.

REPORT TO:	(FINANCE AND MANAGEMENT COMMITTEE)	AGENDA ITEM: 7
DATE OF MEETING:	20 JUNE 2024	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	TRACY BINGHAM – EXECUTIVE DIRECTOR RESOURCES & TRANSFORMATION	OPEN
MEMBERS' CONTACT POINT:	CATHERINE GRIMLEY, 07979149583, CATHERINE.GRIMLEY@SOUTHDERBYSHIRE.GOV.UK	DOC:
SUBJECT:	ACCEPTANCE OF HOUSEHOLD SUPPORT FUND 5 GRANT FUNDING	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 Members accept the grant funding of £108,344 from Derbyshire County Council for the administration of the Household Support Fund 5 and authorise the Executive Director (Resources and Transformation) to sign the Service Level Agreement.
- 1.2 Members approve the Household Support Grant budget proposal as detailed in Appendix 1 of this Report.
- 1.3 Members grant authority to the Executive Director (Resources & Transformation) to amend the budget allocations, as detailed in this Report, in consultation with the Chair of the Finance and Management Committee.

2.0 Purpose of the Report

- 2.1 To accept the grant amount of £108,355 awarded by Derbyshire County Council for the administration of the Household Support Fund 5.
- 2.2 To agree delegated authority to the Executive Director (Resources and Transformation) to authorise budget allocations and amendments as required for the duration of the grant entitlement period in consultation with the Chair of the Finance and Management Committee.

3.0 Executive Summary

- 3.1 Derbyshire County Council has received grant funding from the Department of Work and Pensions (DWP), known as the Household Support Fund (HSF).
- 3.2 This funding allocation is referred to as Household Support Fund 5.

- 3.3 The Household Support Fund has been awarded to upper tier and unitary authorities across England to support households facing financial hardship between 1st April 2024 and 30th September 2024.
- 3.4 Derbyshire County Council has agreed to pay a £108,344 of the Household Support Fund grant it is due to receive from the DWP to South Derbyshire District Council as part of plans to distribute monies to residents in the District of South Derbyshire.
- 3.5 Authorities have discretion on exactly how the funding is used within the scope set out in the Household Support Fund Guidance produced by the Government.

4.0 **Detail**

- 4.1 The objective of the fund is to provide crisis support to vulnerable households in most need with the cost of essentials. Authorities are expected to offer support throughout the duration of the fund period and must develop delivery plans to reflect this.
- 4.2 The fund is intended to support a wide range of low-income households and is not limited to those in receipt of benefits. Authorities have the flexibility within the fund to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility.
- 4.3 Residents in South Derbyshire facing financial hardship and who are deemed eligible for support will receive financial support:
- to prevent homelessness
 - to retain current housing provision
 - to maintain or secure temporary accommodation/accommodation
 - to pay costs of food, heating and related essential cost when in temporary accommodation
 - to prevent enforcement action and financial hardship related to Council Tax arrears
 - to help maintain their wellbeing and avoid crisis.
- 4.4 Following consultation with the Housing and Customer Services Teams it is proposed that the following budget allocations are applied as detailed in table 4.6.
- 4.5 These budget allocations are largely similar to those allocated in the administration of Household Support Funds 1-4 previously. Shifts between budgets detailed below may occur depending on need in order to achieve maximum spend.

4.6

Fund/cost	Spend (maximum including admin)
Homelessness Prevention Fund top up payment	£20,000
Tenancy Services Homelessness Prevention Fund	£35,000
New Home Fund	£10,000
Long-term Attachment of Benefits Debt	£12,000
Council Tax Long Term Empty Homes	£2,000
South Derbyshire Essential Living Fund	£10,344
Customer services admin support	£4,000
Benefits DHP Top up funding	£15,000
Total	£108,344

- 4.7 Further details on the individual budget allocations can be found in appendix.1.

5.0 Financial Implications

- 5.1 South Derbyshire District Council will be accountable for the expenditure of up to £108,344 grant funding for Household Support Fund 5.
- 5.2 Funds should be spent or committed before 30 September 2024 and cannot be carried over for future usage.
- 5.3 There is no threat of clawback of funds as claims for actual expenditure are submitted retrospectively to Derbyshire County Council.

6.0 Corporate Implications

Employment Implications

- 6.1 None

Legal Implications

- 6.2 None

Corporate Plan Implications

- 6.3 The acceptance of Household Support Fund 5 grant funding will support the Council Plan priority – “Support our Communities” with the key aim of supporting our most vulnerable people in our communities.

Risk Impact

- 6.4 If the grant funding is not accepted there is a risk that the council would not be able to financially support all of those in need. The grant funding will mitigate the risk of not achieving the Council Plan target of supporting our most vulnerable people in our communities.

7.0 Community Impact

Consultation

- 7.1 N/A

Equality and Diversity Impact

- 7.2 N/A

Social Value Impact

- 7.3 The Household Support fund will help assist in the health and wellbeing of the community, ensuring that those most in need are provided with the financial support they need.

Environmental Sustainability

7.4 N/A

8.0 Conclusions

N/A

9.0 Background Papers

9.1 Department Of Work and Pensions Household Support Fund Grant Guidance:
[Household Support Fund: guidance for local councils - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/household-support-fund-guidance-for-local-councils)

10.0 Appendix 1

Household Support Fund spend proposal to Derbyshire County Council.

Household Support Fund

South Derbyshire District Council proposal



South Derbyshire District Council has been asked to submit an overview of how it will invest up to £108,344 of Household Support Funding in the district before 1st October. This document outlines the methods the Council will use to distribute the funding to residents in most need locally. The expectation is that it should primarily be used to support households in the most need with food, energy, and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need. **Shifts between budgets detailed below may occur depending on need, in order to achieve maximum spend.**

Fund/cost	Spend (maximum including admin)
Homelessness Prevention Fund top up payment	£20,000
Tenancy Services Homelessness Prevention Fund	£35,000
New Home Fund	£10,000
Long-term Attachment of Benefits Debt	£12,000
Council Tax Long Term Empty Homes	£2,000
South Derbyshire Essential Living Fund	£10,344
Customer services admin support	£4,000
Benefits DHP Top up funding	£15,000
Total	£108,344

Proposal 1 Homelessness Prevention Fund Top up payment

Responsible officer: kirsty.barker@southderbyshire.gov.uk

Potential spend	£20,000
Administrative cost	<i>Delivered via existing resource</i>
Who would it help?	All residents who are facing homelessness, including those not on any benefits.
Policy	Delivered under existing policy.
Proposal	<p>To top up the Council's existing Homelessness Prevention Fund (HPF).</p> <p>The Homelessness Prevention Fund is predominantly used for the payment of a deposit/rent in advance to support those that are homeless or threatened with homelessness in the next 56 days in securing alternatively privately rented accommodation or RSL accommodation. It is also used for clearing/reducing rent arrears in privately rented accommodation to prevent eviction.</p> <p>The fund will have a soft cap at £1000 per application, however this can be increased at the discretion of the Council.</p>

Proposal 2 Tenancy Services Homelessness Prevention Fund Top up payment

Responsible officer: sally.damms@southderbyshire.gov.uk

Potential spend	£35,000
Who would it help?	Council tenants who are facing homelessness or struggling to move.
Policy	Delivered under existing policy.
Proposal	
To support council tenants faced with eviction due to rent arrears or to help them move to more suitable/more affordable and sustainable properties but are currently prevented from doing so due to rent arrears.	
The fund will have a soft cap at £1000 per application, however this can be increased at the discretion of the Council.	

Proposal 3 New Home Fund Top up payment

Responsible officer: louisa.smart@southderbyshire.gov.uk

Potential spend	£10,000
Administrative cost	Delivered via existing resource.
Who would it help?	New tenants moved from temporary accommodation/B&Bs
Policy	Policy to be reviewed.
Proposal	
To support people moving from temporary accommodation into long-term accommodation.	
To grant monies to people moving from temporary accommodation into long-term accommodation, in order to pay for items of furniture and/or initial bills (may be offered in the form of vouchers with partners). The funding will allow the Council to award £500 per applicant in order to purchase soft and white furnishings.	

Proposal 4 Long-term Attachment of Benefits Debts

Responsible officer: elaine.woolley@southderbyshire.gov.uk

Potential spend	£2,000
Administrative cost	Delivered via existing resource.
Who would it help?	Existing customers with a long-term attachment of benefits in place with minimum repayment plans in place.
Policy	No policy – covered by HSF proposal.
Proposal	
To support existing customers on low incomes with a long-term attachment of benefits in place with minimum repayment plans in place.	
Some residents incur debts as a result of overpayments or other changes in circumstances that have not reported in a timely manner or may not have known to report. Where residents are on a low income and are claiming benefits, the Council will put in place an 'attachment of benefit' which deducts the amount they owe from their incoming benefit payments, meaning they have less to live on each month. This scheme would pay a proportion of benefits overpayment debts for residents with a long-term attachment of benefits coupled with minimum repayment plans in place, placing them in a far more sustainable financial position.	
There will also be situations where they resident has been paying arrears via an arrangement but due to the size of the debt it will take a long time to pay and as they have been maintaining there payments it has not had to be referred to do an attachment of benefit. There will also be some situations where the person is known to us to be vulnerable due to health/mental health issues and as a result has struggled to pay off council tax arrears. These won't necessarily be on Council Tax support.	

Proposal 5 **Extended scheme Council Tax Support Fund**

Responsible officer: elaine.woolley@southderbyshire.gov.uk

Potential spend	£5,000
Administrative cost	Delivered via existing resource.
Who would it help?	All Council tenants who currently have an additional council tax charge through no fault of their own and are in receipt of a council tax reduction.
Policy	No policy – covered by HSF proposal.
Proposal	
<p>To provide assistance to new Council tenants who claim a council tax reduction who are affected by a long-term empty charge.</p> <p>Empty discounts can only be applied to a property for up to three-months from when it first becomes empty, regardless of tenant/change of tenancy. In addition, tenants who claim council tax support are only eligible for a reduction from the time they move into a property, vs when they take on a tenancy, which is when council tax is payable from. As such, if a tenant takes on a tenancy for a property that has ‘used up the empty charge’ that year, but does not move in straight away, they can end up with a full council tax charge, from the point they take on the tenancy to the point they move in, as the empty discount has already been ‘used up’. This happens frequently with Council owned properties and already financially vulnerable customers face further financial hardship as a result. This money would allow the Customer Services and Revenues teams to remove those charges.</p>	

Proposal 6 **Extended scheme South Derbyshire Essentials Living Fund**

Responsible officer: tracey.hoogendyk@southderbyshire.gov.uk

Potential spend	£10,344
Administrative cost	£4,000
Who would it help?	Residents who do not have alternative means of paying for essential household costs. The scheme intends to meet one-off needs rather than ongoing expenses.
Policy	No policy – covered by HSF proposal.
Proposal	
<p>The Council’s existing Essential Living Fund will be extended to support any resident across the district who is suffering financial hardship and is unable to fund essential living costs, and as a result:</p> <ul style="list-style-type: none"> • Requires assistance to prevent damage or risk to their health and safety and that of their household. • Requires assistance to maintain their independence within the community. • Requires financial assistance to be able to continue to work (travel costs etc). • Is in extreme fuel poverty and is unable to afford immediate fuel costs/in danger of being cut-off or disconnected. <p>This scheme offers residents a one-off payment of between £250 and £500 (or more depending on need). Potential claimants are referred via Customer Services, Housing, Revenues and Benefits and the Better Care Fund when they present with real need that cannot be fully satisfied via any other existing schemes, as well as self-referred via social media and comms channels. Partners will also be asked to promote the scheme to their customers.</p> <p>The fund will be limited to a set number of applicants on a first-come, first-served basis and when it is exhausted no further applications will be supported. Residents who are referred/self-refer will be required to apply and will be assessed via a pre-determined process, based on an existing process utilised in the Council’s Housing Service.</p>	

Proposal 7 Discretionary Housing Payment funding top up

Responsible officer: elaine.garnham@southderbyshire.gov.uk

Potential spend	£15,000
Administrative cost	Delivered via existing resource.
Who would it help?	Housing Benefit Claimants
Policy	Discretionary Housing Payment
Proposal	
<p>To top up the Council's existing Discretionary Housing Payment Fund (DHP).</p> <p>The Council's Discretionary Housing Payment (DHP) Fund provides funding to residents to support them with their housing costs in emergency circumstances. DHP's can be paid to any tenant, regardless of tenure who is in receipt of Housing Benefit/Universal Credit Housing Costs. Currently, due to the Universal Credit uplift ending, and an increase in essential household costs, tenants are finding it more difficult to meet their rent liability. An increase to this fund will be a lifeline to those affected.</p>	

Any questions please email catherine.grimley@southderbyshire.gov.uk

ENDS

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	20 JUNE 2024	CATEGORY: RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR - LAW AND PEOPLE RETURNING OFFICER	OPEN
MEMBERS' CONTACT POINT:	LEGAL & DEMOCRATIC SERVICES MANAGER elisabeth.page@southderbyshire.gov.uk	DOC:
SUBJECT:	DERBYSHIRE COUNTY COUNCIL ELECTORAL DIVISION BOUNDARY REVIEW CONSULTATION	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

1.1 That Members consider the detail and implications of the Derbyshire County Council Electoral Divisions Review and propose a response to that consultation.

2.0 Purpose of the Report

2.1 To provide Members with an overview of the Local Government Boundary Commissions (LGBC) Derbyshire County Council Electoral Divisions Review proposals, the implications of those proposals for the administration of elections by the Council, and implications for the District as a whole.

2.2 To seek a response to the consultation.

3.0 Detail

Background

3.1 Derbyshire County Council has invited the Local Government Boundary Commission to review the number of Councillors, electoral divisions and electoral division names for Derbyshire County Council.

3.2 The Timetable for the Review was as follows-

21 March 2023	LGBC decide how many councillors there should be
9 May 2023 - 17 July 2023	LGBC carry out an initial public consultation
23 January 2024 - 1 April 2024	LGBC carry out a public consultation on our proposals
2 July 2024	LGBC publish its recommendations
TBC	LGBC ask Parliament to approve our recommendations
May 2025	New arrangements apply to local elections

- 3.3 The LGBC decided that Derbyshire County Council should have 64 Councillors and it has prepared a set of draft recommendations for the new Electoral Divisions in Derbyshire.
- 3.4 Unfortunately, the Council was not properly consulted in accordance with the timetable and therefore has not been able to fully engage in the process. However, on 20 May 2024, an extension of the consultation period on proposals was agreed. The consultation period ends on 21 June 2024 to allow the Council to consider its response at this Committee.
- 3.5 The proposals have been circulated to all Members, Parish Councils and key local groups asking for comments to be submitted by the revised deadline. The proposals have also been published on the Council's website for residents to view and comment.
- 3.6 Once the consultation has closed and the LGBC has considered all responses to the consultation, it aims to publish the final recommendations in July 2024. It will then lay a draft order in both houses of Parliament. Subject to parliamentary scrutiny, the new electoral arrangements are scheduled to come into effect at the County Council's elections in May 2025.
- 3.7 The proposals in relation to South Derbyshire are summarised below-

- To increase the County Council Electoral Divisions in South Derbyshire from eight to nine.

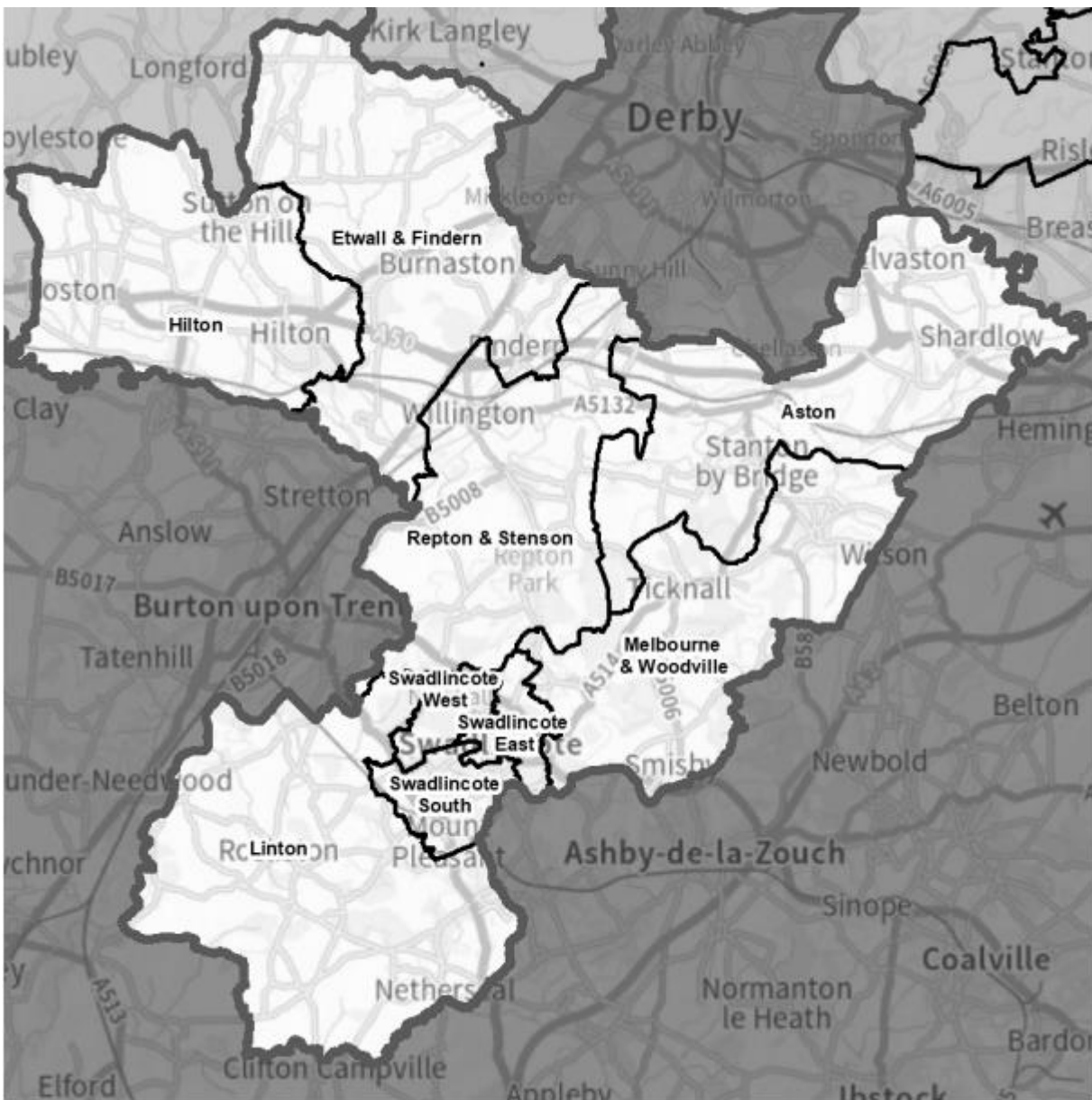
The current Divisions are- Aston, Etwall and Repton, Hilton, Melbourne, Swadlincote North, Swadlincote Central, Swadlincote South and Linton.

The proposed Divisions are- Aston, Etwall and Findern, Repton and Stenson, Hilton, Melbourne and Woodville, Swadlincote West, Swadlincote East, Swadlincote South and Linton.

- To change the County Council Electoral Division Boundaries from



To



The proposals can be viewed in full by visiting the LGBC website which includes maps and the report outlining the draft recommendations <https://www.lgbce.org.uk/all-reviews/derbyshire>

The table below compares the current Divisions against the proposed Divisions-

Current			Proposed		
Division	Wards	Polling District	Division	Ward	Polling District
Aston	Aston Stenson (part)	ASA - Aston on Trent, ASB1- Stenson Fields (East) ASB2- Barrow on Trent, ASC – Elvaston Rural,	Aston	Aston Repton (part) Stenson (part)	ASA - Aston on Trent, ASB1- Stenson Fields (East) ASB2- Barrow on Trent, ASC – Elvaston

		ASD – Elvaston Boulton Moor, ASE- Shardlow, ASF- Swarkestone, ASG- Weston on Trent STA-Stenson Fields, STB1- Stenson Fields (West) STB2-Twyford and Stenson			Rural, ASD – Elvaston Boulton Moor, ASE- Shardlow, ASF- Swarkestone, ASG- Weston on Trent MLC- Stanton by Bridge RTD- Foremark RTE-Ingleby STB2-Twyford and Stenson
Etwall and Repton	Etwall (part), Repton (part) Willington and Findern	ETB- Bearwardcote, ETC- Burnaston, ETD- Burnaston, ETF – Egginton, ETG- Etwall, ETI- Radbourne, RTD- Foremark, RTE-Ingleby, RTG- Repton RTH- Repton Parish Milton, WFA- Willington, WFB1- Findern (north) WFB2-Findern	Etwall and Findern	Etwall Willington and Findern (part)	ETA-Ash ETE-Dalbury Lees, ETH – Osleston & Thururvaston ETJ-Trusley ETB- Bearwardcote, ETC- Burnaston, ETD- Burnaston, ETF – Egginton, ETG- Etwall, ETI- Radbourne, WFB1- Findern (north) WFB2-Findern
-	-	-	Repton and Stenson (new Division)	Repton (part) Stenson (part)	RTG- Repton RTH- Repton Parish Milton, RTA-Bretby RTB-Bretby RTC-Calke RTF- Newton Solney WFA- Willington STA-Stenson Felds, STB1- Stenson Fields (West) STB2-Twyford and Stenson
Hilton	Etwall (part) Hilton Hatton	ETA-Ash ETE-Dalbury Lees, ETJ ETH – Osleston & Thururvaston, HLA- Barton Blout, HLB- Church Broughton, HLC- Foston & Scropton, HLD- Hatton (North), HLE- Hilton,	Hilton	Hilton Hatton	HLA- Barton Blout, HLB- Church Broughton, HLC- Foston & Scropton, HLD- Hatton (North), HLE- Hilton, HLF- Hoon, HLG- Marston on Dove,

		HLF- Hoon, HLG- Marston on Dove, HLH- Sutton on the Hill, HNA- Hatton (Yew Tree) HNB- Hatton (school), HNC – Hatton (central) HND- Hatton, Heathway, HNE- Hatton (Hoon) HNF- Hatton (South)			HLH- Sutton on the Hill, HNA- Hatton (Yew Tree) HNB- Hatton (school), HNC – Hatton (central) HND- Hatton, Heathway, HNE- Hatton (Hoon) HNF- Hatton (south)
Melbourne	Melbourne Repton (part) Woodville (part) Midway (part)	MLA-Melbourne MLB-Melbourne, MLC- Stanton by Bridge MWE- Hartshorne (Lower Midway) RTA-Bretby RTB-Bretby RTC-Calke RTF- Newton Solney RTI-Smisby RTJ-Ticknall WVA-Hartshorne WVB- Hartshorne	Melbourne and Woodville	Melbourne Repton (part) Woodville (part)	MLA-Melbourne MLB-Melbourne RTC-Calke RTI-Smisby RTJ-Ticknall WVA- Hartshorne WVB- Hartshorne WVD-Woodville WVC-Woodville part
Swadlincote North	Newhall and Stanton (part) Midway (part)	NSA-Newhall NSB-Newhall NSC-Newhall NSD-Newhall MWA-Midway NWB-Midway NWC-Midway	Swadincote West	Newhall and Stanton Midway (part) Swadlincote (part)	NSA-Newhall NSB-Newhall NSC-Newhall NSD-Newhall MWA-Midway NWB-Midway NWC-Midway Part of SWA- Swadlincote
Swadlincote Central	Midway(part) Swadlincote (part) Woodville (Part)	MWD-Midway SWA-Swadlincote SWB-Swadlincote SWE-Swadlincote WVC-Woodville WVD-Woodville WVE-Woodville	Swadlincote East	Swadlincote (part) Woodville (part) Midway (part)	Part of SWA- Swadlincote Swadlincote Swadlincote SWB- Swadlincote SWE- Swadlincote WVC- Woodville- part WVD-Woodville WVE-Woodville MWE- Midway (lower Harshorne) WVB- Hartshorne SWF- Swadlincote SWC- Swadlincote SWD- Swadlincote-

Swadlincote South	Church Gresley Swadlincote (part)	CGA-Church Gresley CGB-Church Gresley CGC-Church Gresley CGD-Church Gresley SWC-Swadlincote SWD- Swadlincote SWF-Swadlincote	Swadlincote South	Church Gresley Swadlincote (part)	part CGA-Church Gresley CGB-Church Gresley CGC-Church Gresley CGD-Church Gresley SWD-Swadlincote-part SWF-Swadlincote LTA-Castle Gresley
Linton	Linton Newhall and Stanton (part) Seals	LTA-Castle Gresley LTB-Cauldwell LTC-Drakelow LTD-Linton LTE-Linton LTF-Rosliston NSE-Newhall SLA-Catton SLB-Coton in the Elms SLC-Lullington SLD-Netherseal SLE-Overseal SLF-Walton on Trent	Linton	Linton Newhall and Stanton (part) Seals	LTB-Cauldwell LTC-Drakelow LTD-Linton LTE-Linton LTF-Rosliston NSE-Newhall SLA-Catton SLB-Coton in the Elms SLC-Lullington SLD-Netherseal SLE-Overseal SLF-Walton on Trent

- To create Parish Wards for Woodville Parish Council as follows-

169 We are providing revised parish electoral arrangements for Woodville parish.

Draft recommendations

Woodville Parish Council should comprise 11 councillors, as at present, representing three wards:

Parish ward	Number of parish councillors
Central	7
North	1
South	3

3.8 In formulating the recommendations, the LGBC must balance statutory criteria set out in law and it must:

- Ensure, within Derbyshire, each County Councillor represents a similar number of electors
- Create boundaries that are appropriate, and reflect community ties and identities
- Deliver reviews informed by local needs, views and circumstances
- Reflect the request for single-member divisions

3.9 The LGBC's therefore proposes-

In order to achieve a reasonable degree of electoral equality, it is proposed that there is one additional member electoral division created in South Derbyshire. This would be done by removing a seat from Chesterfield District where there is a comparative overrepresentation of electors for the current nine members.

3.10 The proposals need to deliver the following aims-

- Electoral equality: each councillor represents a similar number of electors.
- Community identity: reflects the identity and interests of local communities.
- Effective and convenient local government: helping your council (the County Council) discharge its responsibilities effectively

3.11 The proposed changes must therefore be assessed against the following criteria.

Electoral equality

- Does the proposal mean that Councillors would represent roughly the same number of electors as elsewhere in the council area?

Community identity

- Transport links: are there good links across your proposed division? Is there any form of public transport?
- Community groups: is there a Parish Council, residents association or another group that represents the area?
- Facilities: does your pattern of divisions reflect where local people go for shops, medical services, leisure facilities etc?
- Interests: what issues bind the community together or separate it from other parts of your area?
- Identifiable boundaries: are there natural or constructed features which make strong boundaries for your proposals?

Effective local government

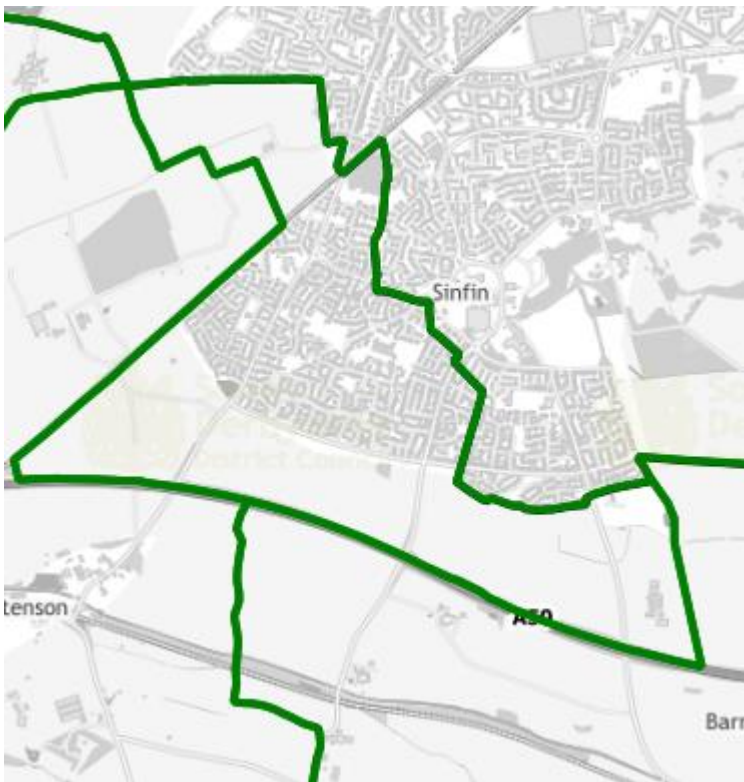
- Are any of the proposed divisions too large or small to be represented effectively?
- Are the proposed names of the divisions appropriate

4.0 Key Issues

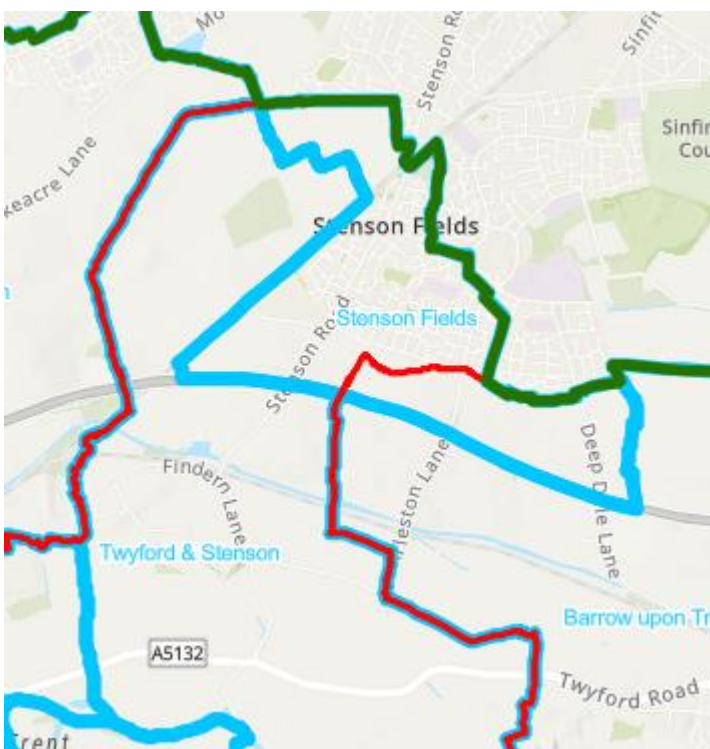
4.1 Officers have reviewed the proposals and noted the following issues-

4.2 The proposal for the Repton and Stenson Division and Aston Division divides the Stenson Fields Parish.

See the Plan below for boundary of the Parish.



And the Proposal Plan below -



The red line shows the boundary of the Division and the proposal divides the Stenson Fields Parish in separate Divisions.

Previously all of the Polling Districts in Stenson Fields ASB1-Stenson Fields (East), STA-Stenson Fields and STB1- Stenson Fields (West) were in the Aston Division. It is now proposed that STB1 and STA are in the Repton and Stenson Division and ASB1 is in the Aston Division. ASB1 effects 16 properties and only 7 electors currently, however, it is an area that will be developed for housing in the future.

The Council can object to the division of Stenson Fields into separate Divisions on the basis of community identity as it splits the Parish of Stenson Fields.

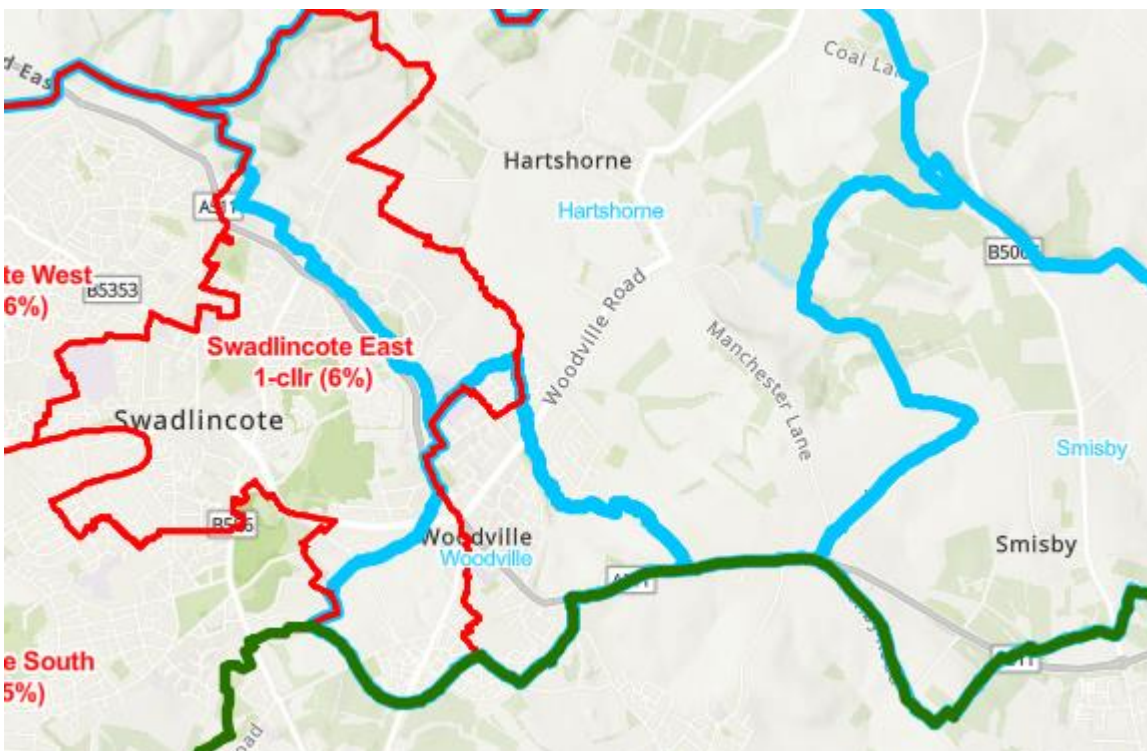
As an alternative, the Council would propose that ASB1 is included in the Repton and Stenson Division, this would have the effect of reducing the electorate in the Aston Division by 7 and increasing the electorate in the Repton and Stenson Division by the same amount.

4.3 The proposal divides the Woodville Parish into the Swadlincote East Division and the Melbourne and Woodville Division.

The Parish can be seen on the plan below.



The Proposal divides the Parish as shown in the plan below



The very north of the Parish and West of the Parish will form part of the Swadlincote East Division with the rest of the Parish is proposed to be within the Melbourne and Woodville Division.

The proposal results in Woodville Parish Council facilities on Occupation Lane falling in the Swadlincote East Division whilst the Play Area at New Road, the Parish Offices at High Street, the Memorial Gardens at Millfield Street and the Cricket Ground at Burton Road will fall in the Melbourne and Woodville Division. Those properties on the Hepworth Road Estate would fall in the Swadlincote East Division.

Members may consider that this proposal is harmful to community identity of the Parish and therefore propose that the whole of the Woodville Parish is included in the Melbourne and Woodville Division. To achieve this, it is proposed by Officers that WVC is included as a whole in the Melbourne and Woodville Division and not divided between that Division and the Swadlincote East Division.

This would see a reduction in approximately 1,000 electorate from Swadlincote East Division and the same increase in the Melbourne and Woodville Division.

4.4 Polling District Area revisions in Swadlincote

In Swadlincote, the proposed Swadlincote East, Swadlincote West and Swadlincote South Divisional Boundaries are proposed to replace the Swadlincote Central, Swadlincote North and Swadlincote South Divisions. Whilst it may be difficult to argue against the proposal on Community Identity grounds, the proposals will pose a challenge for the Council administering County Council elections, as the proposals do not follow Polling District boundaries. Officers therefore invite Members to support a response that the boundaries should follow established Polling District boundaries and that to fail to do so will have an impact on effective local government, as it will create difficulty for the Council in the administration the County Council elections. If the proposals are adopted the Council will need to consider reflecting the revised boundaries in its own Polling Place Review.

Officers therefore propose a response as follows-

Polling District SWA is included in Swadlincote West Division rather than divided between Swadlincote West and Swadlincote East

Polling District SWD is included in Swadlincote South Division rather than divided between Swadlincote South and Swadlincote East.

4.5 Creation of Wards for Woodville Parish Council

LGBC is also proposing to divide Woodville Parish into electoral wards as proposed below.

169 We are providing revised parish electoral arrangements for Woodville parish.

Draft recommendations

Woodville Parish Council should comprise 11 councillors, as at present, representing three wards:

Parish ward	Number of parish councillors
Central	7
North	1
South	3

This is necessary if the proposals as detailed in 4.3 above are adopted, the North Ward will encompass the area in the North of the Parish that is included in the Swadlincote East Division, the Central Ward is the part of the Parish that is also included in the Swadlincote East Division and the South Ward is that part which is included in the Melbourne and Woodville Division.

The justification of the creation of Wards is detailed in the Proposal Report as follows

Parish electoral arrangements

155 As part of an electoral review, we are required to have regard to the statutory criteria set out in Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). The Schedule provides that if a parish is to be divided between different divisions it must also be divided into parish wards, so that each parish ward lies wholly within a single division. We cannot recommend changes to the external boundaries of parishes as part of an electoral review.

On the basis that the proposal to divide the Parish into different Divisions is opposed then the division of the Parish into Wards should also be opposed by the Council.

4.6 Members are invited to consider whether the proposed Division names are appropriate and if not to propose alternatives.

5.0 Financial Implications

5.1 None arising directly from this Report. The Council is reimbursed for the cost of the conducting County Council elections.

6.0 Corporate Implications

Employment Implications

6.1 None arising from this Report

Legal Implications

6.2 None arising from this Report. [Page 75 of 275](#)

Council Plan Implications

6.3 None arising from this Report.

Risk Impact

6.4 Not known.

7.0 Community Impact

Consultation

7.1 A formal process of consultation is being undertaken. This report seeks a resolution on the Council's consultation response. The Council has circulated the consultation to its list of outside bodies, Parish Councils and community groups.

Equality and Diversity Impact

7.2 None arising from this Report. The Council has circulated the consultation to its list of outside bodies and community groups.

Social Value Impact

7.3 Not known

Environmental Sustainability

7.4 None arising from this Report.

8.0 Conclusions

8.1 The Council respond to the consultation detailing the issues raised in this Report.

9.0 Background Papers

Consultation website

[Derbyshire | LGBCE](#)

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	20 JUNE 2024	CATEGORY: RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS’ CONTACT POINT:	CHARLOTTE JACKSON charlotte.jackson@south-derbyshire.gov.uk	DOC:
SUBJECT:	DRAFT ANNUAL GOVERNANCE STATEMENT 2023-24	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That the Committee note the Draft Annual Governance Statement for 2023/24 as set out at Appendix 1.

2.0 Purpose of Report

- 2.1 To share with the Committee the Council’s Annual Governance Statement (AGS) for 2023/24, following its publication on 31 May 2024 in accordance with the Accounts and Audit Regulations 2003 (as amended).
- 2.2 This version is currently in draft and may be subject to updates following the review by External Audit. The final version, post audit, will be presented to Audit Sub-Committee and Finance and Management Committee for approval.

3.0 Detail

Background

- 3.1 An Annual Governance Statement is a requisite part of the annual review of corporate governance and is published alongside the statement of accounts but considered in its own right.
- 3.2 The Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) issue joint annual guidance on corporate governance, which encourages Local Authorities in going beyond consideration of the internal control environment to look at wider arrangements for supporting sound corporate governance.
- 3.3 The CIPFA/SOLACE guidance outlines seven core principles for good governance, with a number of supporting principles. These seven principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - B. Ensuring openness and comprehensive stakeholder engagement
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - D. Determining the interventions necessary to optimise the
 - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it achievement of the intended outcomes
 - F. Managing risks and performance through robust internal control and strong public financial management
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- 1.4 The Council's duty in respect of the Annual Governance Statement is to undertake an annual review of its governance arrangements, which includes the effectiveness of its system of internal control and produce a statement regarding its overall level of governance.

3.4 The AGS is shared with the Committee to note, following publication on the Council's website on 31 May 2024, alongside the draft accounts. The AGS was shared with the Audit Sub-Committee on the same basis. Once the audit is complete, the Committee will be asked to approve the final AGS.

Review of effectiveness and development of the statement

- 3.5 The Council has adopted a revised approach to reviewing its governance arrangements for the 2023/24. The approach now constitutes a self-assessment of the Council's governance arrangements against the CIPFA/SOLACE framework and the requirements of local authorities within this.
- 3.6 Alongside evidencing areas where governance arrangements are satisfactory, the self-assessment identifies areas requiring improvement or significant improvement and puts in place actions to address these.
- 3.7 A new format has also been developed for the AGS. It sets out the governance framework of the Council and explains how the Council has complied with the CIPFA/SOLACE framework and met the requirements of the Accounts and Audit Regulations 2015.
- 3.8 The AGS concludes that that appropriate governance arrangements are in place, or where it has identified that arrangements require improvement, it is taking the necessary actions to remediate. It also concludes that the Council remains committed to maintaining and continuously improving governance arrangements. The statement is signed by the Leader of the Council and the Chief Executive.

Corporate governance issues identified during 2023/24

- 3.9 Three areas of the Council's corporate governance arrangements in respect of complying with relevant laws and regulations and internal policies and procedures were identified as not meeting an acceptable level during 2023/24 and requiring significant improvement.
- 3.10 These are detailed within the Annual Governance Statement, on pages 7 to 9. A brief summary is also set out below.

- 3.11 In March 2024 the external auditor for the 2022/23 and 2023/24 year, EY LLP Ltd, identified a risk of significant weakness for 2021/22 and 2022/23 as part of the interim Value for Money report, presented to the Audit Sub-Committee on 6 March 2024. This significant weakness relates to a previous internal audit significant risk finding where they concluded in 2021/22 that "The annual General Fund, Housing Revenue Account and Capital budgets were not formally received and approved by Full Council, as required by the Council's Constitution and to meet the requirements of the Local Government Act 2000".
- 3.12 The initial findings were accepted by management as part of the external auditors interim report to the Audit Sub-Committee on 6 March 2024. The weakness had been addressed in full for the 2023/24 year (affecting the 2024/25 budget). The final report from the external auditor is expected to be presented to the Audit Sub-Committee in the coming months.

Agency staffing spend outside of contract

- 3.13 A material level of agency spend with recruitment agencies, since 2019, was identified as being potentially non-compliant. The source of the non-compliance was because the agency businesses in question were not party to the currently mandated framework arrangements utilised by the Council for temporary staffing.
- 3.14 Actions taken following the identification of this issue have been led by the Section 151 Officer and have included engaging the Internal Auditor to undertake further investigation, engagement with the Council's outgoing and current External Auditors EY LLP and Mazars LLP and communications with Heads of Service to ensure the correct processes are understood going forward.
- 3.15 Further work is also scheduled for the Internal Auditor to undertake additional spend analysis across all categories of spend to identify any further areas that have or are operating outside of contracts.
- 3.16 The non-compliance with the Public Contract Regulations is reported via the Annual Governance Statement and details of a range of improvement actions are set out.

Self-referral to the Social Housing Regulator for non-compliance with the Housing Consumer Standards

- 3.17 Members will be aware that in April 2024 the Council resolved to advise the Regulator for Social Housing of the outcome of the Council's self-assessment against the Housing Consumer Standards.
- 3.18 Council also resolved to request a 12-month extension from the regulator to meet the standards and to form a Housing Services Working Group to develop a Performance Improvement Plan. At the time of writing this statement, dialogue with the Social Housing Regulator has commenced.

Next steps

- 3.19 The AGS was published on the Council's website on 31 May 2024 alongside the unaudited accounts for 2023/24.
- 3.20 The AGS will be subject to external audit and will be presented to the Audit Sub-Committee and Finance and Management Committee for final approval following

conclusion of the 2023/24 audit and upon receipt of the auditor's final report for this year. At the time of writing this report, the timetable for this remains uncertain, due to the outstanding audit backlog for audit of accounts for 2021/22 and 2022/23.

4.0 Financial Implications

4.1 There are no financial implications arising directly from this report.

5.0 Corporate Implications

5.1 Corporate governance affects the whole authority and as part of the process, all members of senior management have been consulted and made aware of its contents. Generally, senior managers are briefed at corporate meetings in respect of governance generally, together with the AGS.

5.2 Maintaining good governance underpins delivery of the priorities contained in the Corporate Plan.

6.0 Community Implications

6.1 The AGS is designed to act as a public assurance statement that the Council has a sound system of corporate governance, designed to help deliver services in a proper, inclusive, open and accountable manner.



South
Derbyshire
District Council



ANNUAL GOVERNANCE STATEMENT 2023/24

1. Background and Scope of Responsibility

Welcome to the Council's Annual Governance Statement for 2023/24.

As a public authority, the Council is responsible for ensuring that its business:

- Is conducted in accordance with the law;
- Operates to the highest standards in public life; and
- Accounts for public resources in an open and transparent manner.

The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions and services are delivered and to achieve value for money for the Taxpayer.

To meet these objectives, the Council is expected to have the highest possible governance arrangements in place.

Governance is about how the Council runs its business and it underpins everything that the Council undertakes. Without robust arrangements, there is a greater risk that failures will occur.

Satisfactory corporate governance is essential in demonstrating that there is credibility and confidence in public services.

In discharging the overall responsibility the Council is responsible for putting into place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has an approved Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Satisfactory Governance in Local Government' 2016. The Code sits within the Council's Constitution: [40 Local Code of Corporate Governance](#) and was last reviewed in June 2023: [Local Code of Corporate Governance Review and is next due to be reviewed in June 2024.](#)

This Annual Governance Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015.

The Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Satisfactory Governance in Local Government.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Council is controlled. It outlines how the Council directs its activities as well as how it accounts to, engages with, and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. The Governance Framework

Our vision, priorities and values

The Council's vision, priorities and values are set out in the Council Plan 2024 - 2028, which was adopted by Council on 11 April 2024.

The Council's vision is to 'work together to shape our environment, drive our economy and support our communities'.

The Council's priorities reflect the overall vision and will be delivered via a series of key aims.

Our priorities are:

- Shape our Environment – A sustainable future adapting to and mitigating climate change to deliver our net zero commitments so that future generations can thrive.
- Drive our Economy – A thriving economy and place that has jobs, skills, education, infrastructure, and opportunity.
- Support our Communities – People and communities are supported to live safely, healthily and independently.
- Transform our Council – Providing modernised, high performing, value for money and customer focussed services.

During 2023/24, we consulted staff on a new set of corporate values that we have embedded into our Council Plan. These values will be integrated into our performance staff development and appraisal programmes.

There are seven values in total:

- **Working together:** Working as a team to serve our residents.
- **Accountability:** Taking ownership of the service that we deliver.
- **Respect:** We value and listen to each other.
- **Requiring Improvement:** Offering equal opportunities for all.
- **Being Responsive:** We have a 'can do' attitude and respond to the needs of others quickly, positively and appropriately.
- **Innovative:** Looking for new solutions.
- **Excellence:** Delivering our services to the highest possible standards

The key elements of our governance framework

South Derbyshire has retained a committee system governance model. Most UK local authorities now operate using a cabinet system where a group of Members have been given the power to make the majority of decisions on behalf of their Council.

The benefits of retaining the committee system are that all Members are able to sit on a range of decision-making committees and every member has a vote that counts.

This is the cornerstone of the Council's governance – Members are not marginalised in decision making. All decisions are debated and made during open committee in full public view. Closed sessions, for instance where commercially sensitive matters need to be discussed, are kept to a minimum.

In addition to the statutory committees that deal with planning and licensing, the Council has three main policy committees:

- Finance and Management Committee
- Environmental and Development Services Committee
- Housing and Community Services Committee

The audit function is spread across the Finance and Management Committee and the Audit-Sub Committee, which is responsible for some elements relating to internal and external audit and risk management.

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people.

We have various layers of management within the organisation and our management teams each play an important role in the governance framework.

The Leadership team comprises of the Chief Executive and four Executive Directors.

During 2023/24, a review of the Council's management structure was undertaken. The final structure was agreed and implemented from 1 May 2024. Changes were made to Director level roles and reporting lines of Heads of Service. Four new Assistant Director posts were also created. At the time of writing this Annual Governance Statement, there remains one Executive Director vacancy and all of the Assistant Director posts are expected to be filled by September 2024.

The Leadership Team meet fortnightly and meetings are programmed as a series of themed sessions to focus individually on either business as usual, strategic issues, projects and programmes and organisational health. The Leadership Team meetings are managed via a forward plan and regular away days are scheduled to ensure time is allowed for strategic planning.

The Leadership Team meet with Heads of Service on a bi-monthly basis. These meetings cover a range of current matters, depending on circumstances and issues needing attention at the time and also represent a key time for undertaking corporate training across the different tiers of the Council's leadership and management.

Role of the Council

The role of Council is set out in the Council's Constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

Role of Statutory Officers

The Council's Statutory Officers who consist of the Head of Paid Service (the Chief Executive), the Monitoring Officer (Executive Director – Law and People) and the Section 151 Officer (Executive Director – Resources and Transformation) fulfil the statutory duties associated with their roles, including ensuring that the Council's activities are in accordance with the law and legislative requirements, and that financial budgets are set appropriately and are monitored regularly.

The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Constitution of the Council is subject to a continuous review process which sets out matters reserved to Council and Committees for decision; all other decisions are delegated to Officers. Elements of the Constitution were reviewed during 2023/24 and the amendments approved by Council in May 2024.

Role of Committees

The Council's Constitution sets out the responsibilities for functions of each of its Committees, including:

- Licencing and Appeals Committee
- Housing and Community Services Committee
- Planning Committee
- Environmental and Development Services Committee
- Finance and Management Committee
- Audit Sub-Committee

Responsibility for audit, risk and internal control

The responsibility for audit, risk and internal control is split across the Finance and Management Committee and the Audit Sub-Committee.

The Audit Sub-Committee meets the external auditor to discuss findings in the Annual Audit Management Letter and reports.

Role of Overview and Scrutiny

The Overview and Scrutiny Committee carries out the Council's Scrutiny function.

The Committee develops its annual work programme in line with Article 6 of the Constitution and can "call in" a decision which has been made by a policy committee but not yet implemented, to enable them to consider whether the decision is appropriate.

Risk Management

The overall objective of the Council's risk management strategy is the identification, analysis, management and financial control of

those risks which can most impact on the Council's ability to pursue its approved delivery plan.

The current Risk Management Framework was last reviewed in 2023 and sets out how the Council will actively avoid risk and manage the reporting of risk across the three main policy committees.

In March 2024, the Council's External Auditor, EY LLP, presented their interim Value for Money report findings as part of an audit progress update report to the Audit Sub-Committee. The auditor identified within this report that the Council should evaluate whether the current risk management structure delivers efficient and effective risk management, and whether it is clear what the most strategic risks are to the organisation as well as what committees those risks should be received by.

At the time of writing this report, the Section 151 Officer is concluding this review, and a revised Risk Management Framework is due to be presented to the Finance and Management Committee for approval in 2024/25.

Role of Internal Audit

The Council has a Public Sector Internal Audit Standards (PSIAS) compliant Internal Audit via the Central Midlands Audit Partnership (CMAP). The Internal Auditor is

responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an annual work plan, progress against which is reviewed each quarter by the Audit Sub-Committee.

In 2023/24 the reporting process was modified so that each internal audit report is submitted to the relevant officer and Executive Director as well as the Section 151 Officer, Monitoring Officer and Chief Executive. The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation. Progress against recommendations is followed up by Internal Audit and reported to Audit Sub-Committee on a quarterly basis throughout the year.

The Internal Audit Report 2023/24 is due to be considered by the Audit Sub-Committee at its meeting on 12 June 2024.

The Audit Manager intends on issuing the opinion that there is a "satisfactory system of governance, risk, internal control" meaning that findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.

The opinion is based on the following, which has been extracted from the Audit Manager's report:

- *The level of coverage provided by Internal Audit was considered adequate.*
- *Work has been planned and performed so as to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the organisation's control environment is operating effectively.*
- *The changing risk environment within the Council has been taken into account during the 2023-24 financial year.*
- *Our insight gained from our interactions with Senior Management and the Audit Sub-Committee.*
- *Changes at a Senior Management level have inevitably resulted in changes to the organisation's Governance arrangements. Much of the proposed changes to the management structure and constitution are still in their early stages, therefore it would be premature to pass judgement on their effectiveness. But it is pleasing to note that Senior Management has openly engaged and consulted with Internal Audit on all significant changes that potentially affect the organisation's framework of governance, risk management and control.*
- *The Council's External Auditor had recently questioned whether the Council's current risk management structure delivered efficient and effective risk management, and whether it was clear what the most strategic risks were to the organisation. At the time of writing this*

report, the Section 151 Officer was concluding a review of the Council's Risk Management Framework, and this revised framework was due to be presented to the Finance and Management Committee for approval in 2024-25. We have a Risk Management audit scheduled in the 2024-25 Internal Audit Plan.

- In my 2021-22 Audit Opinion Report, brought the Council's Audit Sub-Committee on 22nd June 2022, I raised the following significant risk finding:

"The annual General Fund, Housing Revenue Account and Capital budgets were not formally received and approved by Full Council, as required by the Council's Constitution and to meet the requirements of the Local Government Act 2000".

This issue came to attention of the External Auditor as part of their review work undertaken during 2023-24. They concluded that there was no evidence that the full budgets were received by Council. As a result, in the External Auditor's interim Value for Money report, they have detailed that they expect to report on an exception basis that there is an identified significant weakness in the budget setting process for the 2022-23 and 2023-24 years and in years prior to that.

- The Council's self-assessment against the new Consumer Standards for Social

Housing and the knowledge that a self-referral has been made to the Regulator for Social Housing, along with a request for a 12-month extension for the Housing Service to meet the new standards. Internal Audit has also been asked to undertake consultancy work to examine the governance arrangements that led to this scenario, but this is in its very early stages and has not arrived at any conclusions at this time.

- Being made aware that the Council may have employed agency staff from a supplier, outside of the Council's process (use of designated framework) and outside of contract (breach of CPRs) since 2018-19. The initial report has identified that this spend is material in value over this period and on an annual basis. Internal Audit is currently awaiting confirmation of the detailed spend with agencies before determining what further internal audit work will be undertaken in this area.
- The only outstanding issue that has potentially adverse implications for the Authority's Annual Governance Statement related to a significant issue regarding the Procurement service. This matter is due to be addressed with the re-tender of the Procurement Service later this year, along with a review of the organisational requirements in respect of procurement support.
- The 2023-24 Internal Audit Plan, approved by the Audit Sub-Committee,

8th March 2023, was informed by internal audit's own assessment of risk and materiality in addition to consultation with Senior Management to ensure it aligned to the organisation's key risks and objectives. Changes to this Audit Plan have been reported to the Audit Sub-Committee throughout the year.

A copy of the full report from the Audit Manager can be found in the published papers for the Audit Sub-Committee for its meeting on 12 June 2024.

The Role of External Audit

Mazars LLP has been appointed by the Public Sector Audit Appointments (PSAA) as the Council's external auditor for 2023/24. The auditor's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities.

External audit provide an opinion on the Council's financial statements and conclude on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (value for money conclusion).

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system in the UK, supporting Satisfactory decision making, effective planning, informed decision making and ensuring transparency and accountability to local taxpayers.

In the years since 2017/18, where the deadline for issuing audit opinions was brought forward from 30 September to 31 July, there has been a reduction in the number of local government audit opinions delivered on time. This downward trend accelerated during the COVID-19 pandemic and as of 31 December 2023, the backlog of outstanding audit opinions stood at 771.

The Council’s draft statement of accounts for 2021/22 and 2022/23 were published on 8 September 2022 and 14 July 2023 and remain unaudited.

At the 6 March 2024 meeting of the Audit Sub-Committee, the Council’s External Auditor for the 2021/22 and 2022/23 years advised in the audit progress update report that as a result of the system wide implementation of backstop dates it is likely that the outcome will be that a disclaimer of opinion is issued on the Council’s 2021/22 and 2022/23 financial statements. EY LLP advised that the proposed disclaimer/qualification of the Council’s 2021/22 and 2022/23 accounts would likely impact the audit procedures needed to gain assurance on the 2023/24 financial statements and the form of audit report in 2023/24 and subsequent years during

the recovery phase. At the time of writing this Annual Governance Statement, the “Addressing the local audit backlog in England consultation has not been responded to by government or local government system audit partners, since consultation closed in March 2024.

How we comply with the CIPFA/SOLACE framework

The below sets out the CIPFA/ SOLACE Framework principles and what each of these mean broadly.

The Principles	What this means
Principle A: Behaving with integrity	Elected Members and Council Officers acting in accordance with national standards regarding Public Office.
Principle B: Engaging with stakeholders	Keeping residents, businesses and other interested parties, etc. informed and seeking feedback through consultation.
Principle C: Setting clear objectives	Having medium term business and financial plans in place that provide for the sustainability and development of services.
Principle D: Having positive interventions	The detailed policies and procedures, such as terms of reference for decision-making, a change management process and an annual budget, etc. which ensure that objectives are met.
Principle E: Leadership and capacity	Clear direction from senior management and that adequate, trained and empowered staff are in place to deliver services.
Principle F: Managing	Having robust internal control and strong financial management to ensure that risk is mitigated, data is

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risks and performance	secure, and performance is regularly monitored.
Principle G: Satisfactory reporting and transparency	Assigning clear accountability and reporting lines, allowing access to information and reporting performance on a regular basis.

The following sections list the key elements of the systems and processes that comprise the Council’s governance framework with a commentary setting out how the arrangements comply with each of the principles that are laid out in the CIPFA/ SOLACE Framework - Delivering Satisfactory Governance in Local Government.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements have been put in place to ensure probity when dealing with different stakeholders and these are frequently updated. The Council has a Members’ Code of Conduct, Planning Code of Satisfactory Practice, Licensing Protocol and Procedure and Citizens’ Rights which are all set out in the Constitution. These are regularly reviewed to take account of the latest legislation and guidance.

The Council has robust arrangements for monitoring compliance with the Member Code of Conduct (including gifts and hospitality. The Officer Register of Gifts and Hospitality is regularly overseen by the Monitoring Officer as well as the Member Registers of Disclosable Pecuniary Interests.

The Head of Paid Service, Section 151 Officer and Monitoring Officer meet regularly as a Statutory Officers Group. Their work includes monitoring compliance with standards of conduct across the Council, including both officers and Members. The Council is in the process of implementing the draft Code of Practice on Satisfactory Governance for Statutory Officers. This Code was developed jointly by SOLACE, CIPFA and Lawyers in Local Government (LLG) and was out to consultation in March 2024.

The Council's Whistleblowing Policy includes Members, contractors, suppliers and service providers and people working in partnership with the Council (e.g. volunteers). All reports received under the policy are investigated thoroughly; the procedure is outline for transparency.

The Members Code of Conduct sets out the standards of conduct expected and assists Members in the exercise of their duties. The Code sets out the principles (Nolan Principles) Members should abide as public office holders.

The Employee Code of Conduct clarifies the standards of conduct and behaviours expected of Local Government employees.

The Council's Ethics Statement forms part of the Council's Constitution and sets out the standards of ethical behaviour expected; it also incorporates the Nolan principles.

The Council's Conflict of Interests policy forms part of the Council's Constitution and is a guide for both Members and officers.

The new Council Plan includes a new set of values which complement the Nolan principles. These values will be monitored with officers through the Performance and Development Review (PDR) process.

The Council has an appointed Health and Safety Officer. Corporate Health and Safety matters are considered by the Health and Safety Committee, which includes two Elected Member representatives to ensure compliance with the Health and Safety at Work Act 1974, and other relevant legislation.

The Council actively ensures its decisions are Requiring Improvement and accessible on a consistent basis. Corporate consideration of issues around compliance with the Equality Act 2010 are supported by the Equality, Diversity and Inclusion Steering Group.

Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function

The "Monitoring Officer" function is carried out by the Executive Director – Law and People, who reports to the Chief Executive.

The Monitoring Officer's role was repositioned in the Council from Head of Service to Executive Director as part of the management structure implemented on 1 May 2024.

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The Head of Legal and Democratic Services who has responsibility for legal matters and is also the Deputy Monitoring Officer reports to the Executive Director – Law and People.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The "Head of Paid Service" role is undertaken by the Council's Chief Executive.

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The audit as based on the guidance set out in the CIPFA/SOLACE 'External Audit in Delivering Satisfactory Governance in Local Government: Framework', which identifies best practice in relation to roles and responsibilities, are currently delivered via a dual model and across the Finance and Management Committee and Audit Sub-Committee. Both Committees meets quarterly. The Audit Sub-Committee receives regular reports from both the Section 151 Officer, the Internal Auditor and the External Auditor. Arrangements are in place for the both internal and external audit to report independently to the Audit Sub-Committee should it deemed appropriate to do so.

During 2023/24, the Audit-Sub Committee undertook a review of the committee current arrangements against the CIPFA/SOLACE 'External Audit in Delivering Satisfactory Governance in Local Government: Framework'. At the time of writing this report, it is intended that the findings are reported to

the Audit Sub-Committee and Finance and Management Committee in June 2024. In summary, the Audit Sub-Committee identified some areas where the arrangements do not comply with CIPFA guidance.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two of the Council's statutory officers, the Section 151 Officer and the Monitoring Officer, have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Audit Manager who provides assurance on matters of internal financial control.

Corporate governance issues identified that are relevant to 2023/24

For the 2023/24 year, three areas of corporate governance were identified as not meeting an acceptable level and requiring significant improvement.

Budget setting approval processes

The first of these relates to the approval process for the budget in 2021/22 and 2022/23.

In March 2024 the external auditor for the 2022/23 and 2023/24 year, EY LLP Ltd, identified a risk of significant weakness for 2021/22 and 2022/23 as part of the interim Value for Money report, presented to the Audit Sub-Committee on

6 March 2024. In this report, they detailed that they expect to report on an exception basis that there is an identified significant weakness in the budget setting process for the 2022/23 and 2023/24 years and prior to that also.

This significant weakness relates to a previous internal audit significant risk finding where they concluded in 2021/22 that "The annual General Fund, Housing Revenue Account and Capital budgets were not formally received and approved by Full Council, as required by the Council's Constitution and to meet the requirements of the Local Government Act 2000". From the review work undertaken by the external auditor during 2023/24, it was concluded that there was no evidence that the full budgets were received by Council.

At the time of writing this report, the external auditor is yet to issue their final report, but it is anticipated that the Annual Governance Statement relevant to each of these prior years, will be required to be updated with details of the significant weakness in the budget approval process.

The initial findings were accepted by management as part of the external auditors interim report to the Audit Sub-Committee on 6 March 2024.

The weakness had been addressed in full for the 2023/24 year (affecting the 2024/25 budget).

The final report from the external auditor is expected to be presented to the Audit Sub-Committee in the coming months.

Agency staffing spend outside of contract

As a result of a routine procurement spend analysis, a material level of agency spend with recruitment agencies, since 2019, was identified as being potentially non-compliant. The source of the non-compliance was because the agency businesses in question were not party to the currently mandated CCS Framework RM6277, (or the previous framework RM6160) utilised by the Council for temporary staffing.

Initial analysis deemed spend to be non-compliant and further analysis work was undertaken to understand whether the agencies used to engage these resources were contracted via any alternative public sector frameworks or whether these were "direct contracts". Work was also undertaken to understand whether any of the arrangements deemed non-compliant were still active, with live staffing assignments.

Actions taken following the identification of this issue have been led by the Section 151 Officer and have included engaging the Internal Auditor to undertake further investigation, engagement with the Council's outgoing and current External Auditors EY LLP and Mazars LLP and communications with Heads of Service to ensure the correct processes are understood going forward.

Further work is already scheduled for the Internal Auditor to undertake additional spend analysis

across all categories of spend to identify any further areas that have or are operating outside of contracts.

The identification of this non-compliance spend issue is as a result of the additional enhanced focus of the organisation on procurement. Improvements already taken forward in regard of procurement and contract management, include:

- In January 2024, the Executive Director – Resources and Transformation established a new “Spend Matters” corporate action team, consisting of cross-organisational officers who meet on a regular basis to identify and support continuous improvement in procurement and contract management.
- In February 2024, the Council approved new budget provision for the creation of a new Procurement Lead post, to act as lead officer on procurement and contract management within the organisation.
- In May 2024,, the council amended the procurement thresholds to enable effective procurement and remove barriers to engaging low-value suppliers.
- During early 2024, the Council commenced ongoing negotiations with a neighboring local authority for a strategic alignment for the procurement service, to achieve economies of scale through shared procurements.
- As part of developing the Council Plan and service plans for 2024/25, new processes

were designed to ensure services could effectively plan their procurements in advance which in turn has enabled the development of a new Procurement Plan.

- As outlined above, areas of non-compliance have been identified by new resource in this area further data analysis exercises are underway to ensure spend is compliant with procurement regulations and that arrangements represent the most value for money solution.
- A number of key contracts have been tested and reprocured during 2023/24, including leisure services and housing repairs.

Plans are currently underway to overhaul the council’s procurement and contract management approach, which build on the significant progress made in the past year.

Additionally, a programme of further improvements is currently being finalised, following approval of the Medium Term Financial Strategy and commitment to deliver £1.44 million of new and additional income and expenditure savings over the next five years.

Actions going forward include:

- Procuring and mobilising a new shared service provider alongside a new internal structure for procurement.
- Further reviewing our contract procedure rules to ensure they are streamlined and

enable effective achievement of procurement exercises.

- Training all of our procuring officers on organisational requirements and the new Public Contract Regulations.

Self-referral to the Social Housing Regulator for non-compliance with the Housing Consumer Standards

In April 2024, the Council resolved to advise the Regulator for Social Housing of the outcome of the Council’s self-assessment against the Housing Consumer Standards.

The self-assessment demonstrated that the Housing Service have not be able to meet all the requirements of the new Consumer Standards by their effective date of 1 April 2024. The main areas of non-compliance is predominantly related to not having up to date stock condition surveys, making it difficult to determine the current condition and safety of the stock on a property-by-property basis. In addition, tenant engagement activities have decreased, and tenants are not as involved in the Council’s landlord responsibilities, and associated management of its council housing.

Council also resolved to request a 12-month extension from the regulator to meet the standards and to form a Housing Services Working Group to develop a Performance Improvement Plan.

At the time of writing this statement, dialogue with the Social Housing Regulator has commenced.

The full report to Council can be found here: [Housing Consumer Standards, Council, 11 April 2024.](#)

Whistle-blowing and for receiving and investigating complaints from the public

The Council has in place appropriate Whistleblowing policies and procedures which are regularly reviewed and updated where required.

Staff are aware of the Whistleblowing policy through the council's intranet and as an integral part of the induction process for new starters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from customers and residents.

The Finance and Management Committee have oversight of the complaints process and receive quarterly reports from the Head of Customer Services.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Council uses various means to communicate key messages to members of the public, including press releases, website content, social media and where relevant direct communication. Internally, we communicate with staff via team meetings, the intranet, blogs and Chief Executive's Colleague Briefings for staff.

During 2023/24, the Council engaged in a number of consultations.

Statutory consultation on the 2024/25 budget was extended to undergo significant public

consultation via the Council's website and social media channels, in addition to engaging with the business community and parish councils via letter and the South Derbyshire Partnership meeting and Area Forums. Public engagement was high and all comments on proposals were presented to members via the budget approval process at Finance and Management Committee and Council in February 2024.

Public and far reaching consultation was also undertaken on the proposed Customer Access Strategy during the year. A third sector partner of the Councils, CVS were engaged to undertake this on the Council's behalf.

Wide consultation with residents, business and third and public sector partners was also undertaken during the year on the new Council Plan 2024-2028.

A new Communications and Engagement Strategy will be developed going forward to set out the Council's approach to ensuring openness and stakeholder engagement.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.

Incorporating Satisfactory governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk.

The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail.

The Council's principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.

The Partnership works to a set of shared priorities which are designed to improve the local environment, economy and health of local people.

The Partnership is properly constituted and governed by a Board which monitors progress against agreed actions, together with the use of resources, with the Council taking a key role.

Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council is a partner in Derbyshire Resilience Partnership (DRP). All Councils at County, Unitary and District levels, along with other public sector agencies including Derbyshire Fire and Rescue, Derbyshire Police, East Midlands Ambulance Service and the Environment Agency are members of the Partnership to bring together emergency management resources to prepare for and respond

to civil emergencies within the Derby and Derbyshire area. The Executive Director – Environment and Communities is the Council’s representative on the DRP Strategic Meeting.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Council Plan and Medium-Term Financial Strategy detail how we have planned all our resources, both financial and staffing to deliver against our priorities.

The Council’s performance management arrangements include the planning process which reflects all of the council’s aims and objectives and aims to better align activities, improvements and resources.

The Council Plan was monitored throughout the year by management and relevant policy committee on a quarterly basis.

Profiled financial monitoring reports are produced, which also project the outturn, after month end. These are reviewed by all budget holders on a monthly basis. Financial performance is reported to the Finance and Management Committee on a quarterly basis.

During the year, a review of the Planning Service was undertaken, following it being identified that there was a significant backlog of planning applications and ongoing high level of complaints from customers. This review has now concluded and a proposal for additional

resources for the Planning Service are due for consideration during Quarter 1 2024/25.

Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their respective roles in the organisation. Induction processes are in place for both Members and officers, and have been developed to deal with relevant core issues.

The Council is committed to creating an environment where Elected Members’ skills can develop and thrive with regular courses being delivered. Development of Committee Chairs is tailored to individuals and supported by Committee Leadership Team leads.

An annual PDR is undertaken for all officers, which includes the identification of training and development needs.

We are currently developing a new People Strategy that will enable the Council to become the local ‘Employer of Choice’. We are working towards presenting this strategy for approval in early Autumn 2024.

During 2023/24 we have brought forward the revision of a number of HR related policies. There remains a backlog of HR policies that will be dealt with in early 2024/25.

During 2023/24, we consulted staff on a new set of corporate values that we have embedded into our Council Plan. These values will be integrated into our performance staff development and appraisal programmes

During 2023/24, work was undertaken to clear a significant backlog of outstanding and historic internal audit recommendations.

Principle F – Managing risks and performance through robust internal control and strong public management

The Overview and Scrutiny Committee carry out the Council’s scrutiny function.

The writing of formal reports follows a prescribed procedure which requires the completion of a number of procedural requirements for content, including Statutory Officer checks for legality, budgetary compliance, rationale and risk. Reasons for all decisions must be given and these are recorded in the minutes.

The Member and Officer Codes of Conduct and associated procedures set out expected conduct and behaviour.

The Audit Sub-Committee together with the Finance and Management Committee undertake the functions of an audit committee as identified by CIPFA guidance, on a dual basis.

The Risk Management Framework was last reviewed in 2023 and is currently under review. Changes currently being scoped are based on initial feedback from the external auditor as set

out in their [report](#) to Audit Sub-Committee on 6 March 2024, which identified that the level of risks currently monitored across the organisation could impact on the ability of officers and members to give due regard or attention to the most strategic and significant risks.

As part of the council's Corporate Project Management Framework, all major projects have their own risk log. All reports going to members include the risk implications associated with the decision members are being asked to make.

The Council is committed to the effective use of IT and has an IT Security Policy which were reviewed during 2023/24.

The Council's 2023/24 Treasury Management Strategy Statement was approved by Council in February 2023, and risks are fully evaluated as part of this strategy.

Principle G – Implementing Satisfactory practices in transparency, reporting and audit to deliver effective accountability.

Ensuring the Authority's Financial Management Arrangements Conform With the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)

Formal arrangements are in place for the Section 151 Officer with a permanent employee appointed to this role. Adherence

to the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) continues.

Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function.

Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Audit Manager reports directly to the council's Audit Sub-Committee on all matters appertaining to audit outcomes.

The Audit Manager and the Section 151 Officer meet on a monthly basis to discuss and review governance and risk matters.

4. Propriety in the Conduct of Council Business

An indication of how well the Council is performing, is to review any propriety matters that arose in the year, i.e., how well does the Council, its Members and Officers behave compared to accepted standards, values and the rule of law.

An overview for is provided below.

- ✓ **Codes of Conduct:** no reported breaches
- ✓ **Register of Interests:** no issues raised
- ✓ **Whistleblowing:** no matters arose
- ✓ **ICT Security:** No major incidents reported.
- ✓ **Fraud and Corruption:** there were no reported incidents in the year, either internally or from external sources, against the Council.

Reportable Incidents

<p>Complaints to the Local Government and Social Care Ombudsman</p> <p>At the time of publishing this Annual Governance Statement, we are awaiting the Ombudsman’s report .</p>	<p>However, we know that the Ombudsman’s Office made decisions on 15 complaints about the Council in 2023/24. All 15 of these complaints were closed after initial enquiries.</p>
<p>Health and Safety (H&S)</p> <p>There were 64 reportable incidents under H&S Regulations in the year April 2023 – April 2024 . ONE of them required further investigation by the HSE. Once the HSE had done their investigations no further actions were taken.</p>	<p>The Council undertook its own investigation in each case and updated procedures and training where this was necessary.</p>
<p>Data Protection</p> <p>On 4 July 2023, the Data Protection Officer reported an incident to the Information Commissioner’s Office (ICO) regarding a data breach which occurred via a third party organisation.</p>	<p>Upon notification of the incident the Council were in contact with the third party organisation to assess the situation. The third party had already reported to the ICO.</p>

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<p>The breach concerned one person, though South Derbyshire District Council were not responsible for the breach.</p>	<p>South Derbyshire Council sent an email with an attachment to a third party organisation. The attachment contained personal information</p> <p>The third party then send the email in error to another third party .</p> <p>On the 26 July 2023, the ICO wrote to the Data Protection Officer. Based on the action taken in immediate response to the incident no further action was taken. The ICO noted the Council was not responsible for the breach.</p>
<p>Litigation</p> <p>A County Court monetary claim for approx. £46,000 has been issued against the Council for unpaid water supply invoices. The Claim is disputed and the matter has been adjourned for the parties to resolve.</p>	<p>In addition, there is a potential claim for the off site electricity charges which have erroneously been paid by a third party. The claim is assessed by the Council at approximately £60,000. The Council is negotiating with the third party.</p>

5. Effectiveness

Prior Year – 2022/23

The assurance review for 2022/23 identified no significant issues. Nine improvements were identified which are set out in the table below.

Three of the nine improvements remain outstanding and will now be captured and monitored as part of the improvements for 2023/24.

Full details of the review for the 2022/23 financial year can be found in the Assurance and Evidence document for 2022/23 which was published alongside the Annual Governance Statement.

The table below shows the actions from 2022/23 and their current status.

Table 1 – Areas of improvement identified during 2022/23 and current status

Improvement	CIPFA / SOLACE Principle	Owner	Status – May 2024
A new Councillor Code of Conduct based on a national model, is due to be implemented in May 2023.	Behaving with Integrity (P1)	Monitoring Officer	Implemented – adopted at Annual Council in May 2023.
To undertake and review outcomes from a staff survey.	Demonstrating Ethical Values (P1)	Head of Organisational Development	The employee survey was undertaken in Autumn 2023 and the results shared with staff and members in March 2024. The results are now being analysed within individual teams with employees, to develop an action plan and this will feature as part of the forthcoming People Strategy.
The existing Strategy is due for review in 2022/23.	Workforce Development Strategy (P5)	Head of Organisational Development	This strategy timetable has been rescheduled and is now due for approval in Autumn 2024. This actions has been carried forward into the area of improvement action plan, under reference AGS24-16.

Review of Effectiveness 2023/24

The Council has responsibility for conducting a review of its governance framework including the system of internal control.

The review is informed by the Internal Audit Annual Report, the work of the Audit Sub-Committee, the comments of external auditors and other review agencies and inspectorates, and the work of the Leadership Team who have responsibility for the development and maintenance of the internal control environment.

The review considers evidence identified to support where the Council meets the CIPFA/SOLACE guidance and sets this out in the Assurance Review and Evidence document. Governance areas are given an assessment scoring as follows:

- Satisfactory – Satisfactory governance exists and there are no improvements required
- Requiring Improvement – Satisfactory governance exists but improvements are required to meet Satisfactory governance
- Requiring Significant Improvement – Significant issues with governance exist which needs addressing.

Areas identified as requiring improvement or requiring significant improvement are reported within the annual governance statement and remedial actions are outlined. The Audit Sub-Committee will review on a quarterly basis the progress of remedial actions.

In total, there are 23 improvements identified as a result of the assurance review. Full details of the review can be found in the Assurance Review document for 2023/24 which is published alongside this Annual Governance Statement and can be found on pages 19 - 54 of this document.

The table below is an extract summary from the Assurance Review and includes details of the improvement areas identified. Based on learning around the timescales associated with implementing improvements, the table has been modified to show the likely timescale for implementation.

Corporate governance issues identified during 2023/24

As outlined on pages 8 - 9 above, three areas of the Council's corporate governance were identified as not meeting an acceptable level and requiring significant improvement during 2023/24. These were:

- The budget setting approval processes employed for years up to 2022/23 was identified to not be in line with the requirements of the Local Government Act. The weakness was identified by the external auditors during their audit work on the council's governance systems for 2021/22 and 2022/23. The weakness was addressed in full during 2023/24 and approval of the 2024/25 budget.
- Spend on temporary staffing identified as being outside of contract. Actions to ensure non-compliant spend is avoided in the future and to withdraw from live non-compliant temporary staffing arrangements are currently being implemented. Further investigation and analysis of all Council spend to identify any further areas of arrangements operating outside of contracts is also underway.
- The Council referred itself to the Social Housing Regulator for non-compliance with current Consumer Standards. An improvement programme is currently underway.

Full detail around these issues and mitigating actions being taken can be found on pages 8 – 9 above and actions are referenced in the assurance review and improvement actions.

Table 2 – Areas of improvement identified during 2023/24

Improvement	CIPFA / SOLACE Principle	Owner
AGS24-1 Embed new Council Values into and enhance the Council’s employee performance management framework (1/1, PDR)	A	E/D – Law and People
AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	A	E/D – Law and People
AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards and findings of internal Housing Services review.	A	E/D – Place and Prosperity
AGS24-4 Implement actions to address non-compliant spend on temporary staffing, including any further fundings of the internal or external auditor on this matter.	A	E/D – Resources and Transformation
AGS24-5 Implement findings of Planning review.	A	E/D – Place and Prosperity
AGS24-6 Develop internal process for dealing with governance failures.	A	E/D – Resources and Transformation
AGS24-7 Complete review of DPO resource and implement outcome	A	E/D – Resources and Transformation
AGS24–8 Develop and implement Communications and Engagement Strategy	B	E/D – Law and People
AGS24-9 Develop organisational approach to customer satisfaction surveys	B	E/D – Resources and Transformation
AGS24-10 Fully implement new performance management framework.	C	E/D – Resources and Transformation
AGS24-11 Fully implement new risk management framework.	C	E/D – Resources and Transformation
AGS24-12 Implement new approach to tenant engagement in Housing as part of Housing Service Improvement Working Group action plan.	D	E/D – Place and Prosperity
AGS24-13 Review of Constitution	D	E/D – Law and People
AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan	D	E/D – Resources and Transformation

Improvement	CIPFA / SOLACE Principle	Owner
AGS24-15 Develop organisational requirements for benchmarking of services.	E	E/D – Resources and Transformation
AGS24-16 Develop People Strategy	E	E/D – Law and People
AGS24-17 Define scope and timetable for future Corporate Peer Challenge	E	Chief Executive
AGS24-18 Review Council benefits package and need for Employee Assistance Programme as part of People Strategy	E	E/D – Law and People
AGS24-19 Internally publish service business continuity plans.	F	E/D – Environment and Communities
AGS24-20 Develop enhanced Overview and Scrutiny Committee Work Programme	F	E/D – Resources and Transformation
AGS24-21 Present findings of Audit Sub-Committee CIPFA self-assessment exercise	F	E/D – Resources and Transformation
AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code	F	E/D – Resources and Transformation
AGS24-23 Review finance team	F	E/D – Resources and Transformation

6. Overall opinion and conclusion

Conclusion

The Council is satisfied that appropriate governance arrangements are in place, or where it has identified that arrangements require improvement, it is taking the necessary actions to remediate.

The Council also remains committed to maintaining and continuously improving these arrangements. The Council will continue to seek to enhance and strengthen governance arrangements within these areas for improvement and monitor progress made as part of our next annual review.

Signed



Councillor Dr Robert Pearson

Leader of the Council

31 May 2024

7. Statement of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Corporate Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed



Dr Justin Ives
Chief Executive
31 May 2024

Assurance Review

2023/24

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Supporting Principle 1: Behaving with Integrity

Requirement of local authorities to:	Assessment	Evidence	Significant issues	Areas for Improvement	Lead
1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	Satisfactory	<p>Constitution sets out separate Members and Employee Code of Conduct, Local Code of Corporate Governance, scheme of delegation and financial and contract procedure rules.</p> <p>Established complaints procedure.</p> <p>Member complaints procedure.</p> <p>Head of Paid Service, Monitoring Officer and s151 Officer posts filled on permanent basis.</p> <p>HR policies and procedures.</p> <p>Fraud policy framework in place.</p> <p>PDR system for employees.</p> <p>Standards and Ethics report taken to Audit Sub Committee regularly.</p> <p>Leadership Team and regular Heads of Service and Leadership Team meeting.</p> <p>New set of Council Values adopted during 2023/24, following consultation with employees, support behaving with integrity and acting in the public interest.</p>	None	The Council's Constitution will undergo review throughout 2024/25.	

Requirement of local authorities to:	Assessment	Evidence	Significant issues	Areas for improvement	Lead
2. Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	Satisfactory	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values.	None	None	
3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Requiring Improvement	<p>Council Plan sets out 4 main overarching priorities, and committee report format requires confirmation of which priority is decisions support.</p> <p>Monitoring of performance and new corporate project approach structure aligned with Council Plan priorities.</p> <p>Values to be embedded into performance management framework – induction, 1/1's, PDRs etc.</p>	None	AGS24-1 Embed new Council Values into and enhance the Council's employee performance management framework (1/1, PDR)	Executive Director – Law and People

<p>4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>Requiring Improvement</p>	<p>New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Other key values embedded across organisation, such as: Anti-fraud and corruption policy, register of interests and annual declaration of related parties, whistle blowing policy, complaints policy, members and officers code of conduct. Committee meeting minutes show declarations of interest were sought and appropriate declarations made.</p> <p>On processes - Values to be embedded into performance management framework – induction, 1/1's, PDRs etc.</p>	<p>None</p>	<p>As per AGS24-1</p>	<p>As per AGS24-1</p>
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Supporting Principle 2: Demonstrating strong commitment to ethical values

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Seeking to establish, monitor and maintain the organisation's ethical standards and performance	Satisfactory	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Standards and Ethics report taken to Audit Sub Committee regularly.	None	None	
2. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	Requiring Improvement	Existing employee performance management framework in place, but plans for review. New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. Values to be embedded into performance management framework – induction, 1/1's, PDRs etc. Further work to develop a Behaviours and Skills Framework and integrate into employee cycle (recruitment and selection to exit processes as part of forthcoming People Strategy, due for approval Autumn 2024.	None	As per AGS24-1 AGS24-2 Develop Behaviours and Skills Framework and integrate into employee cycle as part of People Strategy	As per AGS24-1 Executive Director – Law and People
3. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	Requiring Improvement	New Council Plan 2024 – 2028, adopted 2024, set out new Council Values. New Equality and Diversity Policy approved by F&MC April 2024. Values to be embedded into performance management framework – induction, 1/1's, PDRs etc.	None	As per AGS24-1 As per AGS24-2	As per AGS24-1 As per AGS24-2

Further work to develop a Behaviours and Skills Framework and integrate into employee cycle (recruitment and selection to exit processes as part of forthcoming People Strategy, due for approval Autumn 2024.

4. Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Procurement exercises include assessment criteria around social value which is incorporate into contracts and subsequently monitored.	None	None
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Supporting Principle 3: Respecting the rule of law

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Requiring Significant Improvement	<p>Constitution is adhered to and reviewed regularly.</p> <p>Scheme of delegation aligned with laws and regulations.</p> <p>Statutory provisions are adhered to.</p> <p>Legal implications considered as part of decision making.</p> <p>Head of Paid Service, Monitoring Officer and s151 Officer in place.</p> <p>Monitoring Officer role part of Leadership Team.</p>	None	None	Executive Director – Place and Prosperity
		<p>As detailed above on pages 8 - 9, corporate governance related weaknesses have been identified during 2023/24.</p> <p>This included identification of non-compliance with relevant laws and regulations in the Council’s approach to approving the budget. This was rectified during 2023/24 for approval of the 2024/25 budget.</p>	AGS24-3 Implement actions to meet compliance with the Housing Consumer Standards		

Overarching actions are therefore recognised against this requirement, to address internal control weaknesses in the areas where outstanding significant improvement are required: compliance with the public contract regulations in respect of contracted spend; and compliance with the Consumer Standards as set out by the Social Housing Regulator. Additionally, actions are recognised to implement the findings of the Planning review and to develop a process for dealing with any future identified governance failures or weaknesses.

Further governance related improvements may arise from interactions with Regulator for Social Housing following the self-referral made by the Council in April 2024. These should be addressed.

and findings of internal Housing Services review.

AGS24-4 Implement actions to address non-compliant spend on temporary staffing, including any further findings of the internal or external auditor on this matter.

AGS24-5 Implement findings of Planning review.

AGS24-6 Develop internal process for dealing

Executive Director – Resources and Transformation

Executive Director – Place and Prosperity

Executive Director – Resources and Transformation

				with governance failures.	
2. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	Requiring Improvement	<p>Job descriptions and roles of statutory officers are well defined.</p> <p>Structure of the Leadership Team ensures statutory officers are included in key decision making.</p> <p>The Section 151 Officer role complies with CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2016).</p> <p>Draft Code of Practice on Satisfactory Governance for Statutory Officers being implemented.</p> <p>Awareness of Statutory Officer roles raised with Heads of Service.</p> <p>Other key postholders:</p> <p>Safeguarding lead in place and appropriate mechanisms, corporate focus and support in place.</p> <p>Nominated DPO and arrangements for managing data protection issues currently under review.</p>	None	AGS24-7 Complete review of DPO resource and implement outcome	Executive Director – Resources and Transformation
3. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	Satisfactory	<p>Arrangements in place for obtaining and recording of legal advice.</p> <p>Reports requiring a decision are considered by Finance, Legal and HR and other corporate teams as necessary, as well as Statutory Officer, before being considered by the relevant decision committee.</p>	None	None	
4. Dealing with breaches of legal and regulatory provisions effectively	Satisfactory	<p>Proper arrangements in place for the provision of legal advice and recording such., Monitoring Officer referenced to give advice and ensure Council’s operates within the law at all times.</p>	None	None	

5. Ensuring corruption and misuse of power are dealt with effectively	Satisfactory	Whistleblowing policy, anti-fraud and corruption policy in place. Procedure set out in policy document.	None	None
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Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle 1: Openness

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Satisfactory	FOI requests actively responded to, website, online publishing of expenditure. Published committee work programmes.	None	None	
2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	Satisfactory	Record of decision making and supporting materials. Standard report format used. The Council's governance framework aims to ensure it sets and meets its objectives and responsibilities in a lawful, timely, open, inclusive and honest manner; and that its use of public money and resources are safeguarded, properly accounted for and used economically, efficiently and effectively.	None	None	
3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	Satisfactory	Decisions well documented with supporting information and advice included. Committee Work Programmes in place. Calendar of dates for submitting, publishing and distributing timely reports is adhered to for all committee meetings. All Committee meetings open to the public, except for exempt items. Formal procedures and rules set out in the Constitution.	None	None	

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action</p>	<p>Satisfactory</p>	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 and Customer Access Strategy consultations undertaken during 2023/24.</p> <p>Employee survey undertaken in 2023/24.</p> <p>Need for customer and staff satisfaction surveys to be scoped across all organisation.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>	<p>None</p>	<p>AGS24-8 Develop and implement Communications and Engagement Strategy</p> <p>AGS24-9 Develop organisational approach to customer satisfaction surveys</p>	<p>Executive Director – Law and People</p> <p>Executive Director – Resources and Transformation</p>

Supporting Principle 2: Engaging comprehensively with institutional stakeholders

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	Satisfactory	Formal and informal partnerships in place. Regular diarised meetings with appropriate senior officers and partners (Toyota, Derbyshire CEX etc).	None	None	
2. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	Satisfactory	<p>Strong partnership working across the Council – e.g. Internal Audit shared service via Central Midlands Audit Partnership.</p> <p>There are a a range of partnerships and collaborative relationships in place, with new emerging. They have appropriate legal agreements and governance commensurate with the nature of the partnership, depending on factors such as legal status, membership, risk, subject matter. They range from more informal arrangements such the Derbyshire Chief Executive Group, to the more formal legal arrangements governing the Etwall Joint Management Committee and Derbyshire Business Rates Pool.</p> <p>The Council’s principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.</p> <p>A part of integrated care model, involvement in Derbyshire Place Board, Place Alliance and Health and Wellbeing board.</p>	None	None	

Derbyshire Leaders Group in place. Various Chief Officer Groups.
The Council appoints its Members to a variety of outside bodies at Annual Council each year.

3. Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit

Satisfactory

As above.

None

None

Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits Supporting Principle 1: Defining outcomes

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Having a clear vision which is an agreed Requiring Improvement formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions		New Council Plan defines the vision for the Council, including values and priorities. New Service Plans implemented for 2024/25 and are developed based on the Council Plan. The quarterly monitoring report and Annual Report details performance against the performance measures and actions. Enhancement to performance management framework underway and to be fully implemented in 2024.	None	AGS24-10 Fully implement new performance management framework.	Executive Director – Resources and Transformation
2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	Satisfactory	Intended impacts set out in Council Plan and Service Plans. Committee report format required details of impacts on stakeholders to be set out. Equality Impact Assessment tool requires intended impacts to be considered.	None	None	
3. Delivering defined outcomes on a sustainable basis within the resources that will be available	Satisfactory	New Service Plans developed for each service area. Monthly performance and finance monitored by Leadership Team. Quarterly reports monitored by Leadership Team and Policy Committees.	None	None	
4. Identifying and managing risks to the achievement of outcomes	Requiring Improvement	Monthly performance and finance monitored by Leadership Team. Quarterly reports monitored by Leadership Team and Policy Committees. New risk management framework under development which sets out new framework for monitoring operational risks within services and with Executive	None	AGS24-11 Fully implement new risk management framework.	Executive Director – Resources and Transformation

		Directors on monthly basis. Adoption of new strategic risk register, to be monitored on quarterly basis by Leadership team, including establishing new Corporate Risk Group to support more effective management of risk across the organisation.		
5. Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available	Satisfactory	Priorities and use of resources as set out in new Council Plan.	None	None

Supporting Principle 2: Sustainable economic, social and environmental benefits

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	Satisfactory	Social and economic impact of policies in decisions actively considered and a requirement of committee report format. Social value considered as part of procurement exercises.	None	None	
2. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	Satisfactory	Record of decision making and supporting materials made available publicly on website. 5-year Medium Term Financial Strategy in place. Strong practice of longer-term financial assessment of decisions in place.	None	None	

<p>3. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p>	<p>Satisfactory</p>	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>	<p>None</p>	<p>As per AGS24-8 Above</p>	<p>As per AGS24-8 above</p>
<p>4. Ensuring Requiring Improvement access to services</p>	<p>Satisfactory</p>	<p>All new policies presented for approval require Equalities Impact Assessment to be completed and regularly reviewed as part of ensuring Requiring Improvement access. Equality and Diversity Policy approved April 2024. Process in place for equalities impact assessments. Equalities and Diversity Action Plan in place. EDI Steering Group. EDI managed by HR and a core part of HR Officer role</p>	<p>None</p>	<p>None</p>	<p>None</p>

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes Supporting Principle 1: Determining interventions

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	Satisfactory	Where appropriate and commensurate with the scale and impact of decision, committee report will detail associated options appraisals and risks.	None	None	
2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	Requiring Significant Improvement	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>In April 2024, the Council made a self-referral to the Regulator for Social Housing, upon identifying that it did not meet 2 of the 5 Housing Consumer Standards. One area of non-compliance related to the engagement of tenants in the Housing Service. Improvements are under development by the Housing Service Improvement Working Group.</p>	AGS24-12 Implement new approach to tenant engagement in Housing as part of Housing Service Improvement Working Group action plan.	None	Executive Director – Place and Prosperity

Supporting Principle 2: Planning interventions

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Satisfactory	<p>Calendar dates for all Council meetings agreed in advance, reports published in a timely manner ensuring a robust planning cycle.</p> <p>Monthly performance and finance reports monitored by Leadership Team; Quarterly reports monitored by Leadership Team and Policy Committees. Performance Management Framework enhancements underway.</p>	None	As per AGS24-10	As per AGS24-10
2. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	Satisfactory	<p>We follow statutory requirements for consultation, with examples of often going above this in terms of community engagement – e.g. 2024/25 budget consultation, Council Plan 2024 – 2028 consultation.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p> <p>In April 2024, the Council made a self-referral to the Regulator for Social Housing, upon identifying that it did not meet 2 of the 5 Housing Consumer Standards. One area of non-compliance related to the engagement of tenants in the Housing Service. Improvements are under development by the Housing Service Improvement Working Group.</p>	None	As per AGS24-8, AGS24-9 and AGS24-12	As per AGS24-8, AGS24-9 and AGS24-12

3. Considering and monitoring risks facing each partner when working collaboratively including shared risks	Satisfactory	Strong partnerships exist in some areas. Partnership agreements exist where necessary for financial/legal/governance/risk reasons, formal agreements are put in place.	None	AGS24-13 Review of Constitution	Executive Director – Law and People
4. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	Requiring Improvement	Delegated responsibility in some areas. Delegated decision making in some areas. Governance review required to ensure flexibility and agility in delivery.	None	AGS24-13 Review of Constitution	Executive Director – Law and People
5. Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	Satisfactory	KPIs established in Council Plan and Service Plans. Quarterly Performance Reports are considered by Policy Committees.	None	None	
6. Ensuring capacity exists to generate the information required to review service quality regularly	Requiring Improvement	Service quality issues are identified via performance monitoring management information. Evidence of this includes the review of two services deemed inefficient through performance monitoring (Housing and Planning), which were instigated during the 2023/24 year, both of which will undergo significant improvement processes in 2024/25 and beyond. The capacity for these reviews was bought in, via a consultancy arrangement. Going forward, it is anticipated that rolling programmes of service reviews will be undertaken, utilising a range of corporate	None	AGS24-14 Review corporate information management systems and develop and commence implementation of modernisation / digitisation action plan	Executive Director – Resources and Transformation

management information, including internal and benchmarking: performance information, customer feedback (complaints, compliments and customer engagement), employee survey data and HR data.

Modernisation and digitisation of information management around service quality required in some areas – e.g. performance management system, HR sickness data management, Housing tenancy management. Links with improvement above around customer survey data.

7. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	Satisfactory	Strategic and Financial Planning timetable reviewed and aligned in 2023/24 for 2024/25 planning purposes, which has enabled a more integrated approach.	None	None
8. Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	Satisfactory	<p>Budget process reviewed and updated for 2024/25, allowing for realistic estimates of medium-term impacts. Changes to budgeting approach (i.e. not funding establishment costs via reserves, allowing capital bids) implemented in 2023/24.</p> <p>New Medium Term Financial Strategy approved April 2024, which sets out 5-year planning timeframe and sustainable position over this period (subject to funding reform). Medium Term Financial Plans refreshed twice per year. Sustainable Finance Plan agreed as part of strategy, with £11m of additional income and savings in expenditure to be achieved over the period. Sustainable Finance Programme mobilising early 2024/25. Commitment to increase income through commercialisation initiatives and projects.</p>	None	None.

Supporting Principle 3: Optimising achievement of intended outcomes

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Satisfactory	MTFS and budget co-created with Members, Leadership Team and Heads of Service, with strategic view of service priorities and aligns to Council Plan.	None	None	
2. Ensuring the budgeting process is all inclusive, taking into account the full cost of operations over the medium and longer term	Satisfactory	Budget process reviewed and updated for 2024/25, allowing for realistic estimates of medium-term impacts. Changes to budgeting approach (i.e. not funding establishment costs via reserves, allowing capital bids) implemented in 2023/24. 5 year Capital budget and resource planning. Revenue 1 year timeframe, but longer-term impacts assessed as part of MTFP. New Medium Term Financial Strategy approved April 2024, which sets out 5-year planning timeframe.	None		
3. Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	Satisfactory	Progressive Medium Term Financial Strategy that sets that context for financial decision making. MTFP updated twice per year or more frequently if information is received warrants an update. Sustainable Finance Plan agreed as part of strategy, with £11m of additional income and savings in expenditure to be achieved over the period. Sustainable Finance Programme mobilising early 2024/25.	None	None	
4. Ensuring the achievement of 'social value' through service planning and commissioning.	Satisfactory	Social value considered through procurement processes. i.e. new build Council housing.	None	None	

Core Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Supporting Principle 1: Developing the entity’s capacity

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness	Satisfactory	Reviews of structures, ways of working and carried out as necessary. Property Services team established asset register. Asset Management Strategy in place. Acquisitions and Disposals Policies.	None performance	None	
2. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority’s resources are allocated so that outcomes are achieved effectively and efficiently	Requiring Improvement	Services encouraged to make use benchmarking data. Organisational approach to benchmarking to be reviewed and requirements determined.	None	AGS24-15 Develop organisational requirements for benchmarking of services.	Executive Director – Resources and Transformation

3. Recognising the benefits of partnerships and collaborative working where added value can be achieved	Satisfactory	Strong partnership working across the Council.	None	None.	
4. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	Satisfactory	People Strategy under development and due For approval Autumn 2024.	None	AGS24-16 Develop People Strategy	Executive Director – Law and People

Supporting Principle 2: Developing the capability of the entity’s leadership and other individuals

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	Satisfactory	Regular Leading Members meetings between the Leader, Deputy Leader, Chairs of the 3 policy committees, the Chief Executive and Executive Directors. Robust member induction programme, with specific and significant training. Code of Conduct for all members. “Building capacity for finance” training programme undertaken by all members during 2023/24. Ongoing member training programmes. Specific Audit Sub-Committee training programme to be developed 2024/25.	None	None	
2. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	Satisfactory	Regular review of delegation and financial Regulations. Constitution.	None.	None	
3. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority	Satisfactory	Clear roles and responsibilities with the Chief Executives objectives set and monitored by Leader.	None.	None	

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
<p>4. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • Ensuring personal, organisational and system- wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	Requiring Improvement	<p>Members trained as and when required. Formal induction process for new administration and new members. Robust member induction programme, with specific and significant training planned.</p> <p>Personalised support for Committee Chairs, led by relevant Leadership Team lead.</p> <p>Self-assessment undertaken for Audit-Sub Committee against CIPFA guidance. Results due to be reported to Audit Sub-Committee and Finance and Management Committee.</p> <p>Changes to both the risk and performance management frameworks have been scoped and are underway, as above.</p>	As per AGS24-10, AGS24-11 and AGS24-12.	None	As per AGS24-10, AGS24-11 and AGS24-12.
5. Ensuring that there are structures in place to encourage public participation	Satisfactory	As set out above, the Council complies with statutory consultations and often goes above this. Customer Feedback model, but more development required around customer satisfaction information gathering and wider customer engagement.	None	As per AGS24-8 and AGS24-9	As per AGS24-8 and AGS24-9

6. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	Requiring Improvement	Members performance monitored, Members held to account by scrutiny and call-in arrangements. Corporate Peer Challenge last undertaken in 2019 and now due for revisit.	None	AGS24-17 Define scope and timetable for future Corporate Peer Challenge	Chief Executive
7. Holding staff to account through regular performance reviews which take account of training or development needs	Requiring Improvement	Staff PDR process in place, include robust assessment of training needs. Strong approach to employee training. As above, development scoped to enhance existing employee performance management framework and develop a Behaviours and Skills Framework to be integrated into employee life cycle.	None	As per AGS24-1 and AGS24-2	As per AGS24-1 and AGS24-2
8. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	Requiring Improvement	Discount on leisure facilities for staff. Counselling service around family, personal, debt, workplace, home and health issues. Coaching and mentoring available. People Strategy under development to support Council in becoming Employer of Choice. Sickness management ongoing. Identified need to review benefits package for employees including Employee Assistance Programme.	None	AGS24-18 Review Council benefits package and need for Employee Assistance Programme as part of People Strategy	Executive Director – Law and People

Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Supporting Principle 1: Managing risk

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	Requiring Improvement	<p>Risk Management framework under review. Finding from external auditor around after identifying a risk that the most strategic of risks not given due regard or attention, due to lack of differentiation between strategic and operational risk.</p> <p>Risk management framework improvements to be fully implemented. This includes work to develop understanding of risk appetite of members.</p>	None	As per AGS24-11	As per AGS24-11
2. Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	Requiring Improvement	<p>Risk Management framework under review. Finding from external auditor around after identifying a risk that the most strategic of risks not given due regard or attention, due to lack of differentiation between strategic and operational risk.</p> <p>Risk management framework improvements to be fully implemented. This includes work</p>	None	<p>As per AGS24-11</p> <p>AGS24-19 Internally publish service business continuity plans</p>	<p>As per AGS24-11</p> <p>Executive Director – Environment and Communities</p>

to develop understanding of risk appetite of members.

Business Continuity plans currently under development by service area.

Emergency Planning arrangements managed via Derbyshire Resilience Partnership.

3. Ensuring that responsibilities for
Satisfactory managing individual risks
are
clearly allocated

Risk Management framework under review. Risk owners understood.

None

As per AGS24-11

As per AGS24-11

Supporting Principle 2: Managing Performance

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	Satisfactory	<p>Monitoring of service delivery currently completed through Council plan and for 2024/25 service plans also.</p> <p>Calendar of monitoring dates and reporting dates adhered to by the organisation.</p> <p>As above, Modernisation and digitisation of information management around service quality required in some areas – e.g. performance management system, HR sickness data management. Links with improvement above around customer survey data</p>	None	As per AGS24-14	As per AGS24-14
2. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook	Satisfactory	Committee report template allows for robust consideration of all relevant factors for a decision.	None	None	
3. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	Requiring Improvement	<p>Overview and Scrutiny Committee in place.</p> <p>Developments for scrutiny around the scoping of Reviews and ensuring sufficient information around purpose of review and intended outcomes is effectively communicated, and ensuring scrutiny is utilised in the development of policies and strategies as appropriate.</p>	None	AGS24-20 Develop enhanced Overview and Scrutiny Committee Work Programme	Executive Director – Resources and Transformation

4. Providing members and senior Satisfactory management with regular reports on service delivery plans and on progress towards outcome achievement	Calendar of dates published and reporting dates adhered to	None	None
5. Ensuring there is consistency Satisfactory between specification stages (such as budgets) and post implementation reporting (eg financial statements)	Standing orders in place. Approval reports separate from financial updates	None	None

Supporting Principle 3: Robust internal control

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Aligning the risk management strategy and policies on internal control with achieving the objectives	Satisfactory	Risk management strategy, audit plan and regular None audit reports.		None	
2. Evaluating and monitoring the authority's risk management and internal control on a regular basis	Satisfactory	Risk management policy with risks reviewed regularly by CLT and Cabinet. Risks should be monitored by the Audit and Governance Committee but this has not happened since November 2015. Due to improvements arising from the 2016/17 governance review, a cross-service Risk Management Group is established which meets on a quarterly basis to review risks. Risks are now regularly report to Audit and Governance Committee.	None	None	

3. Ensuring effective counter fraud and anti- corruption arrangements are in place	Satisfactory	Anti-fraud and anti-corruption policies in place None Fraud arrangements strong via inclusion in fraud partnership with Derby City.	None	None	
4. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	Satisfactory	Internal audit arrangements via Central Midlands Audit Partnership adequate with internal audit actively involved in service improvement.	None	None	
5. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon	Requiring Improvement	Review of Audit Sub-Committee against Audit Committees: Practical Guidance for Local Authorities and Police identified CIPFA that the authority does not comply with best practice. The findings of this review will be presented to the Audit Sub-Committee and Finance and Management Committee in June 2024.	None	AGS24-21 Present findings of Audit Sub-Committee CIPFA self-assessment exercise	Executive Director – Resources and Transformation

Supporting Principle 4: Managing Data

Requirement of local authorities to:	Assessment	Evidence	Areas for		Lead
			Significant Issues	Improvement	
1. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Satisfactory	Policies in place for data management and data protection. Designated data protection officer. Nominated DPO and arrangements for managing protection issues currently under review. Designated Safeguarding Officer and lead.	None per AGS24-7	As	As per AGS24-7

2. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	Satisfactory	Data sharing agreements in place and data processing agreements where necessary. We ensure all suppliers are compliant with data protection and GDPR legislation.	None	None
3. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	Satisfactory	Regular internal audits carried out.	None	None

Supporting Principle 5: Strong public financial management

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	Requiring Improvement	<p>Self-assessment exercise undertaken by the Section 151 Officer has identified some areas of non-compliance against the CIPFA Financial Management Code. Actions to address these areas require implementation.</p> <p>Review of finance team required to ensure appropriate capacity and expertise.</p>	None	<p>AGS24-22 Implement all actions to fully comply with CIPFA Financial Management Code</p> <p>AGS24-23 Review finance team</p>	<p>Executive Director – Resources and Transformation</p> <p>Executive Director – Resources and Transformation</p>
2. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Requiring Improvement	<p>Budget monitoring reports and regular reviews. Greater engagement required between finance and services.</p> <p>Self-assessment exercise undertaken by the Section 151 Officer has identified some areas of non-compliance against the CIPFA Financial Management Code. Actions to address these areas require implementation.</p> <p>Review of finance team required to ensure appropriate capacity and expertise.</p>	None	As per AGS24-20 and AGS24-21	As per AGS24-20 and AGS24-21

Core Principle G: Implementing Satisfactory practices in transparency, reporting, and audit to deliver effective accountability

Supporting Principle 1: Implementing Satisfactory practice in transparency

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	Requiring Improvement	Website user friendly, annual report. Training undertaken with Heads of Service May 2024 on report writing approach and processes. Further work needed to ensure use of "plain English".	None	As per AGS24-8	As per AGS24-8

		Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.			
2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	Satisfactory	<p>Website user friendly, annual report.</p> <p>Annual Report produced in accessible format. Further work needed to ensure use of “plain English”.</p> <p>Identified need for wider Communications and Engagement Strategy to align with the Council Plan and ensure that the council provides its communities with consistent messages, based on clear communication principles, on its priority activities and campaigns. Consideration will be given to including guidance on our approach to consultation as part of the communications strategy. Additional guidance to be provided to Directors and Heads of Service.</p>	None	As per AGS24-8	As per AGS24-8

Supporting Principle 2: Implementing Satisfactory practices in reporting

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Reporting at least annually on performance, value for money and the stewardship of its resources	Satisfactory	Annual report, Statement of Accounts.	None	None	
2. Ensuring members and senior management own the results	Satisfactory	Members and Leadership Team approve reports. Informal engagement undertaken as necessary.	None	None	
3. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate Satisfactory governance (annual governance statement)	Satisfactory	Annual governance statement. In-depth self-assessment review against principles undertaken for 2023/24 – results of which are set out in this paper.	None	None	
4. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	Satisfactory	Annual governance statement, application of policies where Council works in partnership with other organisations.	None	None	
5. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	Satisfactory	Format follows best practice	None	None	

Supporting Principle 3: Assurance and effective accountability

Requirement of local authorities to:	Assessment	Evidence	Significant Issues	Areas for Improvement	Lead
1. Ensuring that recommendations for corrective action made by external audit are acted upon	Satisfactory	Recommendations from external audit acted upon. Compliance of Internal Audit arrangements with the Public Sector Internal Audit Standards. Regular communication between S151 Officer and Internal Audit Manager. Regular communication between S151 Officer and External Auditor.	None	None	
2. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	Satisfactory	Internal Audit report directly to Audit Sub- Committee. Audit Sub-Committee Chair has met independently with Internal Audit during the 2023/24 year. Recommendations from internal audit acted upon with internal audit being actively engaged to assist with service improvements.	None	None	
3. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Satisfactory	Members performance monitored, Members held to account by scrutiny and call-in arrangements. Corporate Peer Challenge last undertaken in 2019 and now due for revisit.	None	As per AGS24-17	As per AGS24-17
4. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Regular diarised meetings with appropriate senior officers and partners.	None	None	
5. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	Satisfactory	Role and scope of partnerships well defined for key partners (e.g. Everyone Active, Toyota). Regular diarised meetings with appropriate senior officers and partners.	None	None	

REPORT TO:	FINANCE AND MANGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	20 JUNE 2024	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR, RESOURCES AND TRANSFORMATION	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON, 01283 595501 Charlotte.Jackson@southdersyshire.gov.uk	DOC:
SUBJECT:	RISK MANAGEMENT FRAMEWORK	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM17

1.0 Recommendations

- 1.1 The Committee approves the Risk Management Framework in Appendix A for adoption in the management of risk from Quarter 1 2024/25 and delegates approval for the Executive Director – Resources and Transformation to make any final amendments in consultation with the Finance and Management Committee Chair.

2.0 Purpose of the Report

- 2.1 To update the Council's Risk Management Framework to reflect the Council's approach to, and management of risk and to align the Framework with the Council Plan 2024-2028.

3.0 Executive Summary

- 3.1 The Council Plan 2024-2028 was approved by Members at Council on the 28th February 2024 and was effective from the 1st April 2024, following the conclusion of the Corporate Plan 2020-2024.
- 3.2 The Risk Management Framework has been revised to respond to the finding reported by the external auditor in their report to the Audit Sub-Committee on 6th March 2024.

4.0 Detail

Revised risk management approach

- 4.1 As part of their progress update to the Audit Sub-Committee on 6th March 2024, the external auditors EY LLP, identified the following observation upon review of the Risk Management Framework:

'we have identified that there are three risk registers (Corporate, Chief Executive and Services) comprising of over 50 risks that are monitored via the Council's committees.

Whilst there is evidence of these risks being monitored and managed, there is a risk that the most strategic risks impacting the Council are not given due regard or attention. The Council should evaluate whether the current risk management structure is delivering efficient and effective risk management, and whether it is clear what the most strategic risks are to the organisation and what committees those risks should be received by.'

- 4.2 The auditors' findings were accepted, although it should be noted there are 38 risks across the three risk registers, and not 50 as stated by the external auditor. A review of the Risk Management Framework was undertaken during quarter 1, 2024-2025, led by the Executive Director – Resources and Transformation as the Council's Section 151 Officer and having responsibility for risk.
- 4.3 Upon reviewing the Framework, it was necessary to make substantial amendments to ensure the structure of the Framework allowed for the most strategic risks to be given the due regard and attention required.
- 4.4 All risks recorded in the three risk registers have been reviewed and the nature of the risk was assigned as 'strategical' or 'operational'. This approach was endorsed by the Leadership Team, following consultation and redesign of the Leadership Team approach for managing corporate oversight over risk and other corporate matters.
- 4.5 The new Strategic Risk Register will incorporate all existing risks that were deemed to be 'strategic risks' as part of the review of the three risks registers. All other risks were assigned as operational and will be included in the development of the Operational Risk Registers for each service area of the Council.
- 4.6 The Strategic Risk Register, owned by the Leadership Team will be updated quarterly by the risk owners and will be reported to the Finance and Management Committee.
- 4.7 Operational Risk Registers for each service area, will be maintained by the Heads of Service. The Head of Service will review the operational Risk Register with their Executive Director and will be updated quarterly.
- 4.8 A new Corporate Risk Management Group will be developed in quarter 2. The group will be made up of a range of officers who will meet on a regular basis to act as champions for risk within their services and support the Leadership Team in the active monitoring, assessing and advising on the reduction of risk for the Council.
- 4.9 There is a clear escalation route detailed in the Framework, outlining how operational risks can be escalated to the Risk Management Group and Leadership Team, for consideration for inclusion in the Strategic Risk Register

Risk appetite.

- 4.10 Further consultation with Members will be undertaken during quarter 2, to determine the Council's risk appetite to support the delivery of the priorities and aims outlined in the Council Plan 2024-2028. The Risk Management Framework, Section 4, Risk Appetite Statement, will be updated following this, and agreed with the Finance and Management Committee Chair.

4.11 The consultation with Members on the Council's risk appetite may impact on the current escalation levels outlined in the Framework to facilitate the escalation of operational risks to the Strategic Risk Register. This will be reviewed and amended if required, following the consultation.

5.0 Financial Implications

5.1 None directly.

6.0 Corporate Implications

Employment Implications

6.1 None directly.

Legal Implications

6.2 None directly.

Corporate Plan Implications

6.3 The Risk Management Framework has been updated to align with the Council Plan 2024-2028.

Risk Impact

6.4 The Risk Management Framework provides transparency and ensures robust controls are in place to mitigate risk to the Council.

7.0 Community Impact

Consultation

As detailed above, further consultation with Members will be undertaken during quarter 2, to determine the Council's risk appetite to support the delivery of the priorities and aims outlined in the Council Plan 2024-2028. Any final changes to the Risk Management Framework will be agreed in consultation with the Finance and Management Committee Chair.

Equality and Diversity Impact

7.1 Not applicable in the context of the report.

Social Value Impact

7.2 Not applicable in the context of the report.

Environmental Sustainability

7.3 Not applicable in the context of the report.

8.0 Conclusions

8.1 The Risk Management Framework has been amended to fully address the observation made by the external auditor. The final Risk Management Framework will be adopted by the Council from Q1 2024/25.

9.0 Background Papers

9.1 Interim Value for Money report 2021-22 and 2022-23, [Audit Sub-Committee, 6 March 2024](#)

9.2 Appendix A – Risk Management Framework.

RISK MANAGEMENT FRAMEWORK

AUTHOR: PERFORMANCE AND POLICY OFFICER

DATE: MAY 2024

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Version Control

Version	Description of version	Effective Date
1.0	Policy Statement and Framework Fully Revised	December 2012
2.0	Review and Update for New Corporate Plan (no major changes)	March 2016
3.0	Review and update to reflect new Corporate Plan and recommendations following an Audit	December 2020
4.0	New Risk Register Template and amendments to sections 4,6,7,8 and section 10 new.	May 2021
5.0	Amended to include the recommendations made by internal audit in September 2022.	February 2023
6.0	New Risk Management Framework	May 2024

Approvals

Approved by	Date
Finance and Management Committee	December 2012
Director of Finance and Corporate Services	March 2016
Audit Sub Committee	December 2020
Audit Sub Committee	June 2021
Finance and Management Committee	20 th June 2024
Audit Sub Committee	19 th June 2024

Associated Documentation

Description of Documentation	
Performance Management Framework	Version 3.0
Annual Governance Statement	
Emergency Planning and Business Continuity Framework	Held centrally on the Government's "Resilience Direct" website

1.0 INTRODUCTION

This document outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for the delivery of the Risk Management function and provides guidance to ensure management of risk is a routine process for all services.

This Framework will ensure that:

1. The management of risk contributes towards ensuring effective service delivery and the achievement of the Council's priorities and aims.
2. Ownership and accountability are clearly assigned for the management of risks throughout the Council.
3. There is a commitment to embedding risk management into the Council's culture and organisational processes, at all levels, including strategic and operational.
4. All Elected Members and officers acknowledge and understand the importance of risk management as a good governance process, by which key risks and opportunities are identified, evaluated and managed.
5. Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.
6. Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards.
7. Where possible the Council's approach is regularly assessed by the audit subcommittee.
8. The Risk Management Framework is reviewed and updated in line with the Council's developing needs and requirements.

2.0 WHAT IS RISK MANAGEMENT?

Risk management has been defined as any action taken by an organisation to minimise a threat to the achievement of its objectives. In order to achieve this, threats – or risks – must be identified & assessed and control measures implemented to reduce the impact and/or likelihood of the risk being realised (occurring). Risk management is what the Council is doing every day as it delivers services to the residents of South Derbyshire, as every control in every process has in some way been implemented to ensure required services meet the needs of communities, businesses, and individuals to the fullest extent possible within current resources.

The risk management approach is vital to ensure that all elements of the organisation are challenged including decision making processes, working with partners, consultation, existing policies and procedures and also the effective use of assets – both staff and physical assets.

The risks facing the Council will change over time, some changing continually, so this is not a one-off process. Instead the approach to risk management should be continual and the risks and the approach to managing them should be reviewed regularly.

In broad terms risks to the Council are split into two categories:

- Strategic risks– those risks relating to the long-term strategic priorities and aims of the Council and
- Operational – risks related to the day-to-day operation of each individual service area.

STRATEGIC RISK MANAGEMENT

Strategic risks are essentially those that threaten the long-term goals of the Council and therefore are mainly based around meeting the priorities and aims of the Council Plan.

Strategic risks will be controlled using a register that will detail the risks and associated controls. The register will be owned by the Leadership Team, with ownership for risks being assigned to individual officers, and will be reviewed every quarter by the Risk Management Group and Leadership Team.

Minutes will be taken to reflect discussion and changes to risks.

The strategic risks will be reported to the Finance and Management Committee every quarter.

OPERATIONAL RISK MANAGEMENT

Operational risks are those that threaten the routine service delivery of the Council.

Each service area will have their own operational risk register that details the risks

associated with providing the service.

These registers will be updated by the risk owner each quarter (as a minimum) and will be reviewed regularly in 121s with the Executive Director.

Significant risks (significant risks are risks with a mitigated risk rating score of 8 or above) and the actions in controlling them will be reported to the Risk Management Group and Senior Leadership Board on a quarterly basis, as these will help in the consideration and formulation of the Strategic Risk Register.

2.1 RISK MANAGEMENT REVIEW AND MEASURE

The following are some of the practical ways that risks are managed and how effectiveness is measured:

- Provision and regular review of a comprehensive Strategic Risk Register.
- The Strategic Risk Register undergoes scrutiny and challenge by the Risk Management Group.
- Consideration of Strategic risks in the Finance and Management Committee report.
- Provision and regular review of Operational Risk Registers.
- Provision and review of Project and Partnership Risk Registers.
- Successful internal and external assessment.

3.0 RISK MANAGEMENT AIMS AND OBJECTIVES

Risk Management Aims are to:

- adopt best practices in the identification, evaluation, and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.
- Integrate Risk Management into the culture of the Council.
- Support risk-informed decision making at all levels.
- Raise awareness of the need for the management of risks by all those connected with the delivery of services (including partners and stakeholders).
- Enable the Council to anticipate and respond to changing circumstances.
- Minimise injury, damage, loss and inconvenience to residents, staff, service users, assets etc. arising from or connected with the delivery of Council services.
- Implement an effective Risk Management Framework.

Risk Management Objectives are to:

- Support delivery of the Council's four priorities as set out within the Council Plan 2024-2028.

- Ensure risk management is incorporated into strategic, operational and project working.
- Broaden the organisations understanding of risk management by engaging with officers from across the Council, at all levels, on risk matters at both operational and strategic level.
- Provide assurance through reporting of risk management arrangements to the Audit Sub Committee.
- Provide Risk Management training.
- Manage risk in accordance with best practice and ensure compliance with statutory requirements.
- Review and monitor our partnerships management of risk.

4.0 RISK APPETITE STATEMENT (Pending development)

- 4.1 Risk appetite can be defined as the amount of risk an organisation is willing to take in pursuit of its objectives. A well-defined risk appetite means Elected Members and officers are clear about which risks are acceptable and which risks should be avoided. Risk appetite should be at the heart of how the Council delivers services and sets the tone for the risk culture of the Council.
- 4.2 Understanding and setting a clear risk appetite level is essential to achieving an effective risk management framework and should be done before how to treat risks can be considered.
- 4.3 Establishing and articulating the risk appetite level helps to ensure that consideration in the way the Council responds to risk is consistent and that there is a shared vision for managing risk. There are risks for which the Council is the custodian on behalf of the public and the environment, where risk appetite may be very low, and there may be risks with choices about investment in projects, research and delivery roles, where risk taking may be encouraged.
- 4.4 This overarching risk appetite statement sets out how the Council balances threats and opportunities in pursuit of achieving its objectives.
- 4.5 In determining the statement, it is recognised that risk appetite is subject to change and needs to flex in line with the organisation's strategic environment and business conditions; and as such the statement will be reviewed periodically, every two years.

Risk Tolerance and Risk Acceptance Levels

5.0 RISK MANAGEMENT PROCESS

5.1 Identifying & Documenting Risks

The first stage of the Risk Management process is to identify risks which may prevent service/project/partnership delivery. For service related and project risk, this is best undertaken by engaging staff working in the area to ensure that all potential risks are captured for assessment. A detailed breakdown of other methods which can be used to identify risks are outlined below. Such risks will be recorded in the Operational Risk Register, if relating to business-as-usual activities within services, or within a dedicated project risk register.

Each Service within the Council will maintain its own Operational Risk Register, which is subject to review by relevant Heads of Service and all corporate projects will maintain a project risk register (see Appendix 1).

5.2 How to identify risks to be added to the risk register.

Risk is typically identified by employing a variety of methods, each aimed at effectively managing potential threats to their communities and operations. Here are some key strategies commonly used:

1 Risk Assessments: Councils regularly conduct risk assessments to identify potential risks in such areas as public safety, health, environmental impact and financial stability. These assessments help in determining the likelihood of an event occurring and its potential impact.

2 Community Consultation: Engaging with community members through surveys, public meetings, and feedback mechanisms allows us to gather insights about concerns and potential risks perceived by residents.

3 Data Analysis: Utilising data from various sources, such as crime statistics, health reports, and environment data, helps us to identify patterns and emerging risks. This approach often involves collaboration with other government agencies.

4 Expert Consultation: Consulting with experts in fields such as public health, urban planning, and environmental science can provide us with specialised knowledge.

5 Monitoring Media and Social Media: Media outlets and social media platforms can be valuable sources for identifying emerging issues and risks. We can use these tools to stay informed about what is happening locally and globally.

6 Legislation and Regulatory Changes: Keeping abreast of changes in laws and regulation helps us to anticipate risks associated with compliance or the need to alter existing policies.

7 Technology and Innovation: Adoption of new technologies can also introduce new risks, such as cyber security threats, which require ongoing vigilance and adaptation.

Through these methods, we aim to proactively manage and mitigate risks, ensuring that we can respond effectively to protect public interest and community well-being.

5.3 Assessing Risks

The Council utilises a 4x4 risk matrix to assess the impact and likelihood of risks in accordance with internationally recognised methods of risk assessment. Appendix 1 provides further detail on how impact and likelihood scores are defined and scored for risks. All risks are assessed twice. The first assessment involves a calculation of an overall inherent score, essentially evaluating the risk before controls in place to either minimise the threat are applied. The second assessment takes place after the control's environment has been evaluated and is referred to in 5.4 below.

The direction of travel of the mitigated risk will be recorded to show whether the risk trend is increasing, decreasing, or remaining the same.

5.4 Evaluating the Control Environment

After the inherent risk score has been calculated the control environment in place in the area being assessed is evaluated to determine the extent to which risk scores are reduced by controls in place. The calculated residual score is then compared to the Risk Tolerance level to determine whether any further action is required to reduce the score (see 5.5 below).

5.5 Responding to Risks

In preparing its Risk Appetite statement the Council has established Risk Tolerance and Risk Acceptance Levels to assist management in making decisions about actions necessary to minimise risk. Where the residual score of risks is above the Risk Tolerance Level, further action will need to be identified and detailed within an Action Plan for subsequent implementation and monitoring. Once the residual risk score is reduced to a level that is below the Tolerance Level no further additional actions are necessary. Where residual risk scores are determined to be below the Risk Acceptance level, those responsible for assessing the risk, may (in agreement with their Head of Service) remove it from their Operational Risk Register.

5.6 Monitoring Management of Risks

All Risk Registers are reviewed by the risk owners regularly, as a minimum on a quarterly basis to determine whether any amendments are required to existing risks for example, risk scores may need to be amended as a result of changes in circumstances and/or implementation of actions or a new risk(s) may have been identified and will need to be added to the Operational or Strategic Risk Register. If a risk is no longer deemed a risk this should be discussed with the Executive Director in the first instance and recommended for removal from the risk register to the Risk Management Group and Leadership Team.

5.7 Reporting Arrangements

Operational Risk Registers are reviewed and updated on a quarterly basis (as a minimum) by Heads of Service and will form part of the discussion with the relevant

Executive Director during service performance 121 discussions and/or direct management team. Minutes will be taken to reflect discussion and changes to risks. All risks with a mitigated risk score of 8 or above in the Operational Risk Registers will be escalated to the Risk Management Group for review and consideration in respect of whether the risk should be added to the Strategic Risk Register.

The Strategic Risk Register is reviewed on a quarterly basis by the Risk Management Group (RMG) who then report their recommendations to the Leadership Team who make the final decision. Following this review, a Risk Management Quarterly Report is prepared and submitted to the Finance & Management Committee.

6.0 OWNERSHIP AND ACCOUNTABILITY

To support effective governance and decision-making at each level, the roles and responsibilities for risk management are clarified and defined below

Full Council.

Sets the Council Plan and Governance Arrangements, etc.

Audit Sub Committee.

Monitor and review the Council's Governance arrangements, this Committee considers the Council's Risk Management **process** as detailed in this document.

The Committee is **not** responsible for assessing and monitoring specific risks, this is the responsibility of Policy Committees.

Finance and Management Committee

To oversee and co-ordinate the Council's approach to Risk Management.

Risk Management Group (cross organisational officer group) - On behalf of the Leadership Team:

- To consider operational risks which have been escalated as 'significant risks' and provide recommendation to the Leadership Team for inclusion of the risk in the Strategic Risk Register.
- Review the Strategic Risk Register each quarter and provide recommendations to the Leadership Team for review and sign off (by the Leadership Team)
- Makes recommendations for the assessment of risk and timing and nature of mitigating actions.
- Promote risk management best practice.

- Challenge specific officers responsible for taking action to manage risks.

Leadership Team

- Overall ownership of the risk management process and endorsement of the strategic direction of risk management.
- Ensure that there are clear accountabilities for managing risks and that managers are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently.
- Overall responsibility for maintaining and reviewing the Strategic Risk Register.
- Overall responsibility for agreeing if an operational/project/partnership risk should be added to the Strategic Risk Register.
- Challenges (and holds accountable) specific officers responsible for taking action to manage risks.
- Ensures Partnership boards make appropriate provision for risk management in their respective areas of control.
- Determine and continuously assess the nature and extent of the strategic risks that the Council is willing to take to achieve its objectives - its “risk appetite” - and ensure that planning and decision-making appropriately reflect this assessment.
- Incorporate risk management into Departmental Management Team agendas.
- Chair Risk Management Group meetings or nominate a suitable chair / risk champion.
- Ensure the allocation of appropriate resources for risk management, which can include, but is not limited to people, skills, experience and competence.
- Use horizon scanning to identify emerging sources of uncertainty, threats and trends.
- Agree the frequency and scope of its discussions on risk to review how management is responding to risks and how this is integrated with other matters including business planning and performance management processes.

All Heads of Service

- Maintain the operational risk register for their service, ensure the register is maintained and up to date and escalate risks that are ‘significant’ for consideration to be added to the Strategic Risk Register on a quarterly basis.
- Ensure that mitigating actions are carried out and controls are in place to reduce risks, whilst identifying and enabling cost-effective strategies to be put in place to minimise the incidence of these.
- Maintain partnership risk register(s) for partners identified as ‘significant’ ensure the register is maintained and up to date and escalate risks that are ‘significant’ for consideration to be added to the Strategic Risk Register on a quarterly basis.
- Maintain project risk register(s) for projects that sit outside of the Digital and Customer Transformation Plan and ensure the register is kept up to date and escalate risks that are ‘significant’ for consideration to be added to the Strategic Risk Register on a quarterly basis.
- Contribute to the development of a risk management culture in their teams.
- Use horizon scanning to identify emerging sources of uncertainty, threats and trends.
- feedback on the effectiveness of the risk management process.

Line Managers

- Contribute to the maintenance of a risk register for their service area.
- Share relevant information with colleagues.
- Feedback on effectiveness of the risk management process to their Heads of Services.
- Utilise risk management data to minimise unwanted incidents and outcomes at operational level.
- Ensure staff have the appropriate skills to manage risk.

Elected Members - Understand the strategic risks faced by the Council. Oversee the effective management of these risks by officers. Ensure that risks have been considered in decision-making.

Internal Audit

- Evaluating the adequacy and effectiveness of controls in responding to risks within the Council's governance, operations and information systems.
- Assessing and making appropriate recommendations to improve the Council's governance processes for overseeing risk management and controls.

External Audit – as part of their annual Value for Money judgement, they review the Council's overall Governance arrangements as published in the Annual Governance Statement, which includes risk management.

Executive Director (Resources and Transformation) – Lead officer for the risk management process, demonstrating a commitment to managing risk.

- Executive Directors - Reviews Operational Risk Registers for their relevant service areas.
- Ensure reports to members seeking approval for decisions include appropriate reference to relevant risk management arrangements.

Health and Safety - Ensures the Council has appropriate arrangements in place to manage health and safety risk.

Data Protection Officer - Assists in the identification of areas of information risk; and • Co-ordinates all information management activity.

Performance and Policy Officer – Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

All Employees

- Liaise with their line manager to assess areas of risk and opportunity in their job.
- Identify new or changing risks in their job and feed these back to their line manager.
- Highlight any risk management issues or inadequacies with their job or department.
- Be aware of their accountability for ensuring that risks are adequately managed.
- Understand how they can make a positive contribution to the improvement of risk management practices.

7.0 REPORTING

No matter how good the process to identify and control risks is, it will not be effective unless the information gained from it is reported and used to influence other management issues / processes. Therefore, it is essential that there is a defined process and timetable for reporting the results of the risk management process to both Elected Members and officers.

Types of Report

- **The Strategic Risk Register** is reported to the Risk Management Group and Leadership Team on a quarterly basis.
- **Operational Risk Registers** are reported to the Executive Director and are reviewed regularly in 121s. The Operational Risk Register should be maintained and kept up to date, if a significant risk is identified and the Executive Director agrees, the risk should be escalated for consideration to the Strategic Risk Register on a quarterly basis. Significant risks identified in the Operational Risk Registers will be referred to the Risk Management Group for consideration for inclusion on the Strategic Risk Register. The Risk Management Group will submit their recommendations report to the Leadership Team each quarter.
- **Project Risk Registers** (projects that sit outside of the Digital and Customer Transformation Plan) are reported to the Executive Director and are reviewed regularly in 121s. The Project Risk Registers should be maintained and kept up to date, if a significant risk is identified and the Executive Director agrees, the risk should be escalated for consideration to the Strategic Risk Register.
- **Digital and Customer Transformation project risks** are reported through the project management process and reported to the Leadership Team.
- **Partnership Risk Registers** are maintained for 'high risk partnerships' see Appendix 2.
- The Strategic Risk Register is presented to Finance and Management Committee every quarter.
- An annual report review of the Risk Management Framework taking into account changes in methodology and results of internal and external reviews. Going to the Risk Management Group, Leadership Team and Audit Sub Committee.

8.0 RISK MANAGEMENT TRAINING

For the benefits of Risk Management to be realised, it is necessary for the process to be embedded in the culture and operations of the Council. To facilitate this, regular training will be included in the council's workforce development plans to ensure staff have the necessary knowledge and skills to effectively identify and manage risk. Initial emphasis will be placed on the provision of training to the Leadership and Management Teams, with further training to be rolled out where this is considered necessary.

9.0 LINKS

Risk management cannot operate in isolation to other management processes. To fully

embed a risk management culture, it must be demonstrated that risk is considered and influences all decisions that the Council makes. It is essential that there is a defined link between the results of managing risk and the following:

- The Council Plan
- Service Plans
- Developing risk management links with key partners and contractors, to ensure that principles are adopted in all areas of service delivery.

10.0 PARTNERSHIPS AND CONTRACTORS

Partnership working plays an important role in the way the Council delivers key outcomes or important services. The focus for many public, private, voluntary and community organisations has been on the opportunities offered by partnership or joint working arrangements.

Partnership working presents the authority with governance and accountability challenges which needs to be managed. Guidance on Risk Management with Partnerships is outlined in **Appendix 2**.

The Councils significant partnerships are detailed in the Councils operational Service Plans which are reviewed and published annually.

11.0 REVIEW

The Risk Management Framework will be reviewed on an annual basis.

APPENDIX 1 RISK REGISTER TEMPLATE

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	Inherent Risk Rating (See table below for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	Mitigated Risk Rating			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER	DIRECTION OF TRAVEL OF MITIGATED RISK SCORE
				LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING				
							•				•			

RISK IMPACT AND LIKELIHOOD DEFINITIONS

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

Impact	Very High (4)	4	8	12	16	<table border="1"> <tr> <td>12-16</td> <td rowspan="3">Significant Risk</td> </tr> <tr> <td>6-9</td> <td>Medium Risk</td> </tr> <tr> <td>1 - 4</td> <td>Low Risk</td> </tr> </table>	12-16	Significant Risk	6-9	Medium Risk	1 - 4	Low Risk
	12-16	Significant Risk										
	6-9		Medium Risk									
	1 - 4		Low Risk									
High (3)	3	6	9	12								
Medium (2)	2	4	6	8								
Low (1)	1	2	3	4								
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)							
		Likelihood										

Impact	Thresholds and Description
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000, adverse local media attention, breaches of local procedures
3 – High	Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation
Likelihood	Thresholds and Description
1 – Remote	May occur only in exceptional circumstances (e.g. once in 10 years)

2 – Possible	Unlikely to occur but could at some time (e.g. once in three years)
3 – Probable (in two years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months)

Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

Impact	Very High (4)				
	High (3)				
	Medium (2)				CR1 Universal Credit
	Low (1)				
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)
		Likelihood			

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

Use of a RAG System

The Risk Register includes the **'inherent risk rating'** the level of risk in place before actions are taken to alter the risk's impact or likelihood and the **'mitigated risk rating'** is the remaining risk level following the development and implementation of the actions.

The Risk Register will capture all controls (actions) that have been put in place to mitigate the risk, whilst the likelihood of the risk may remain the same the level of impact should reduce. The **'mitigated risk rating'** will be reviewed every quarter by the risk owner.

Risks are rated, scored and classed as **Red**, **Amber**, or **Green**. The Risk Matrix Table in Appendix 1 outlines the scoring of impact and likelihood of the risk using the threshold and description as guidance.

The rating score considers the likelihood of a risk occurring and the potential impact if things go wrong.

This classification is intended to prioritise risks at a point in time and ensure that prevailing (**Red**) risks are being given appropriate treatment at that time.

The rating serves as a guide for stakeholders to help understand the extent and severity of risks at a particular time and how they may have changed.

Some risks will remain high, such as health and safety, due to the very nature that an incident could have a serious and significant effect for the Council.

APPENDIX 2 GUIDE TO RISK MANAGEMENT WITH PARTNERSHIPS

There are many definitions as to what constitutes a ‘partnership’. For the purposes of this guide a key partnership is defined as:

“An agreement between two or more independent bodies to work collectively to achieve a common objective.”

and typically partner may comprise of one or more of the following criteria:

- are independent of the Council i.e. another public sector body, voluntary organisation etc.
- agree to co-operate to achieve a common goal or shared objective(s)
- plan and implement a jointly agreed programme, often with staff or resources provided jointly.
- pool resources and rewards.
- work collaboratively with other authorities.
- may receive a grant to provide a service on behalf of the Council.

What is not a Partnership? The above definition should exclude the following:

- where the Council is consulting partners but ultimately has direct control over budgets or decision making
- consultation groups set up to discuss or consider specific topics.
- appointments and/or financial commitments to outside bodies where the Council has no strategic or policy function.
- private finance initiatives and other commercial agreements, or contracts where the Council is paying other organisations to deliver a service or goods and vice versa.
- joint ventures will developers

ASSESSING THE SCALE OF YOUR PARTNERSHIP

It is recommended all key partnerships outlined in the Council’s Service Plans undergo the assessment to determine if the partnership is high or low risk. A record of this assessment should be retained by the Head of Service for audit purposes.

A crucial first step in the way the Council manages risk in partnerships is an initial assessment to decide what scale of partnership you are dealing with. This assessment process should be completed at the earliest possible stage of a partnership.

The process uses five criteria relating to financial commitment, impact on the Council’s key aims, procurement complexity, organisational impact and legal requirement.

The process is simple and enables us to identify a partnership as **high** or **low** risk and therefore decide on the level of risk management application required.

From a risk management perspective, it is not necessary to devote the same amount of resources and attention to every partnership. The scale of the partnership will determine the level of input required. Once you have completed this process you should then be able to determine if the partnership is “High” or “Low” risk. Clearly the higher the risk the

more risk management activity is required.

Looking at the table below, under each 'impact evaluation' heading find the statement that best matches your partnership. Each statement is assigned a score of 1 to 4 according to the column it sits in.

If during this process your partnership fits into any one red box, then it will be deemed as **high risk and therefore you should refer to Appendix B.**

If none of the statements in red boxes apply to your partnership, calculate the total value of your partnership by adding together the scores of the statements you have selected for each of the evaluation statements.

IMPACT EVALUATION	SCORE			
	1	2	3	4
Estimated SDDC Financial Commitment What is the estimated SDDC financial commitment for the partnership? This should include capital investment required, resource costs, staff costs, equipment costs etc.	Up to £10K	Over £50K	Over £100K	Over £500K
Contribution to corporate key aims Will this partnership make a significant contribution to the achievement of any of SDDCs key aims	No contribution	Linked to other work that contributes to a corporate key aim	Partial contribution to a corporate key aim	Significant contribution to 1 or more corporate key aim
Organisational impact What impact will your partnership have on the way the organisation works? (Change to business processes, staff redeployment etc.)	None or very minimal	Some new business processes and possibly some retraining	Significant restructure of processes and work areas	Transfer of staff or outsourcing
Contribution to delivery of external policy or legislation Is this partnership required to meet the specific requirements laid out in a piece of legislation, mandatory central government policy directive or Audit Commission recommendation?	No contribution	Contributes to other work that is delivering policy or legislation	Direct links to policy or legislation	Fundamental to achievement of policy or legislation
Procurement complexity Does your partnership involve the purchase of any service or other goods that will require a procurement contract? If so, what level of risk is attached to the contract?	No contracts involved	Low risk contract	Medium risk contract	High risk contract

5-9 Points
Low Risk
Go to Appendix A

10-20 Points
High Risk
Go to Appendix B

APPENDIX A

LOW RISK PARTNERSHIPS

If your partnership has been assessed as low risk, then there is no need to go through a detailed risk management process. There is still however a need for robust management of the partnership and provided that you are able to answer yes to the questions in the checklist below the risks should be under control.

- Is there a clear business need for the partnership?
- Is a partnership approach the best way to achieve our objectives?
- Is there a written partnership agreement?
- Are there clear aims and objectives set out?
- Is there a clear governance structure in place?
- Are there clearly defined roles and responsibilities set out?
- Are there clear lines of accountability set out?
- Is there a clear means of controlling finance?
- Has a means of identifying performance been agreed and defined?
- Is a regular operational meeting held to review performance and jointly identify risks and agreed control measures?
- Has a clear exit strategy been agreed?
- Is there a secondary/back up plan in place should the partnership fail?

If you are unable to answer yes to these questions, then the partnership could be at risk. You therefore need to take action to ensure a positive answer.

APPENDIX B

HIGH RISK PARTNERSHIPS

If you have assessed your partnership as high risk, then you should adhere to the guidance in this appendix.

You will need to gain the agreement of the partner to work to the Council's Risk Management Framework and follow the 'risk management process guidance' as outlined in the framework – identify, assess, treat, monitor and report. The Council will work with the partner to jointly identify any risks and agree appropriate actions to mitigate against the risk. It is recommended the risk register template and accompanying matrix (**Appendix 1**) is adopted with the partner to support the management and review of risks.

The owner of the relationship with the partner (Head of Service or Director) will update the appropriate Council Risk Register (Chief Executive, Corporate, Service Delivery) to indicate that the partnership is under risk management review. The 'risk category' should be selected to ensure transparency.

Risk Management will not happen unless it is properly resourced. This includes the provision of people, time and in some cases finance to make it happen. You should create a plan for managing risk. The plan will describe how risk will be addressed in the partnership. It will set out the agreed framework for who will lead, who will be involved, responsibilities and accountabilities, in addition to establishing the frequency of risk monitoring. The idea is to ensure that risk is considered as an integral part of the

partnership management. Resources for the management of risk should be agreed at the outset

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	20 JUNE 2024	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR, RESOURCES AND TRANSFORMATION	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON, 01283 595501 Charlotte.jackson@southderbyshire.gov.uk	DOC:
SUBJECT:	PERFORMANCE MANAGEMENT FRAMEWORK	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM13

1.0 Recommendations

1.1 The Committee approves the Performance Management Framework in Appendix A.

2.0 Purpose of the Report

2.1 To update the Council's Performance Management Framework to reflect the Council's approach to, the monitoring and reporting of performance and to align the Framework with the Council Plan 2024-2028.

3.0 Executive Summary

3.1 The Performance Management Framework was last reviewed and updated in December 2020 in line with the Corporate Plan 2020 to 2024.

3.2 The Council Plan 2024-2028 was approved by Elected Members at Council on the 28th February 2024 and was effective from the 1st April 2024, following the conclusion of the Corporate Plan 2020-2024.

3.3 The Framework has been updated to align it with the Council Plan and to reflect changes in approach to performance management.

4.0 Detail

4.1 Following approval of the new Council Plan 2024 – 2028, a number of changes have been made in the Council's Performance Management Framework to reflect changes in approach and ensure alignment with the new Council Plan.

4.2 The following paragraphs summarise these changes:

- 4.3 **Service Plans** - Previously the Council maintained three Directorate Service Plans for the Chief Executive, Corporate Resources and Service Delivery Directorates. Moving forward Service Plans will be maintained by the Head of Service for each service area of the Council.
- 4.4 Each Service Plan will be used as an operational tool and will outline how daily operations of Council services aligns with the strategic priorities and aims of the Council. The Service Plans include access to services, partnerships, workforce planning, procurement, income generation, communication planning and operational risk registers.
- 4.5 The Service Plans will be used as a supporting document to support and inform the PDR process for officers.
- 4.6 **Section summarising Financial Monitoring approach** - Section 7, Financial Monitoring has been included to the Framework to link the Council's performance to its management of the Council's financial resources including revenue and budgeting.
- 4.7 **Updated reporting cycle** - Section 9, Reporting cycle has been added to the Framework to provide an outline for when performance against the Council Plan will be reported to the Committees.
- 4.8 **Exception reporting** - Section 11.0, Performance Reporting and Review has been updated to advise an exception report will be provided to the appropriate Committee for any Council Plan measure or project that is underperforming.
- 4.9 **Leadership Team monitoring and oversight approach** - Section 11.3 has been added to the Framework to outline the provision of Leadership Team having full oversight and approval of Council Plan performance information prior to submission to Committee deadlines.

5.0 Financial Implications

- 5.1 Section 7, Financial Monitoring has been included in the Performance Management Framework.

6.0 Corporate Implications

Employment Implications

- 6.1 None directly

Legal Implications

- 6.2 None directly

Council Plan Implications

- 6.3 The Performance Management Framework outlines the Council's approach to performance management and acts as a tool to ensure that the Council is delivering against its priorities and aims detailed in the Council Plan 2024-2028.

Risk Impact

- 6.4 The Risk Management Framework has been updated to align with the Council Plan 2024-2028.

7.0 Community Impact

Consultation

- 6.5 None directly.

Equality and Diversity Impact

- 7.1 Not applicable in the context of the report.

Social Value Impact

- 7.2 Not applicable in the context of the report.

Environmental Sustainability

- 7.3 Not applicable in the context of the report.

8.0 Conclusions

- 8.1 The Performance Management Framework is aligned with the Council Plan and will support the delivery and reporting of the Council's priorities and aims.

9.0 Background Papers

Appendix A – Performance Management Framework.

Performance Management Framework

Reviewed By: Performance & Policy Officer

Date: May 2024

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Version Control

Version	Reason for review (review date/legislation/process changes)	Effective Date	Review date
2.0	Review date and process changes	December 2020	December 2023
3.0	Update the framework to reflect the Council Plan 2024-2028 and changes to the process.	June 2024	May 2024

Approvals

Approved by	Date
The Leadership Team	November 2020
Finance & Management Committee	20 th June 2024

Associated Documentation

Description of Documentation
Risk Management Framework

1 Introduction

The Performance Management Framework sets out the Council's approach to performance management and acts as a tool to ensure that the Council is delivering against its priorities and aims. It is designed to develop and support a consistent approach to the way performance and quality is managed, monitored, reviewed, and reported at all levels in the organisation.

2 Definition

Performance management supports service delivery and monitors performance across the Council. It involves people management, communications, cultures and behaviours.

3 Purpose

To achieve the priorities and aims outlined in the Council Plan performance needs to be managed effectively. The Performance Management Framework (PMF) describes how this is accomplished.

4 Framework for Performance Management Design

4.1 Plan, Measure, Report and Review Cycle

Effective performance management ensures our key aims are prioritised and resources are allocated to the right things at the right time. We achieve this through the Plan, Measure, Report and Review Cycle, encouraging good leadership and evidence-based decision making to benefit our residents.

Plan: using evidence-based data, consultation, statutory, political, key strategies, and service delivery to help prioritise and identify the key aims and priorities.

Measure: understanding what success looks like and how this can be measured using performance indicators, projects and milestones and Risk Management.

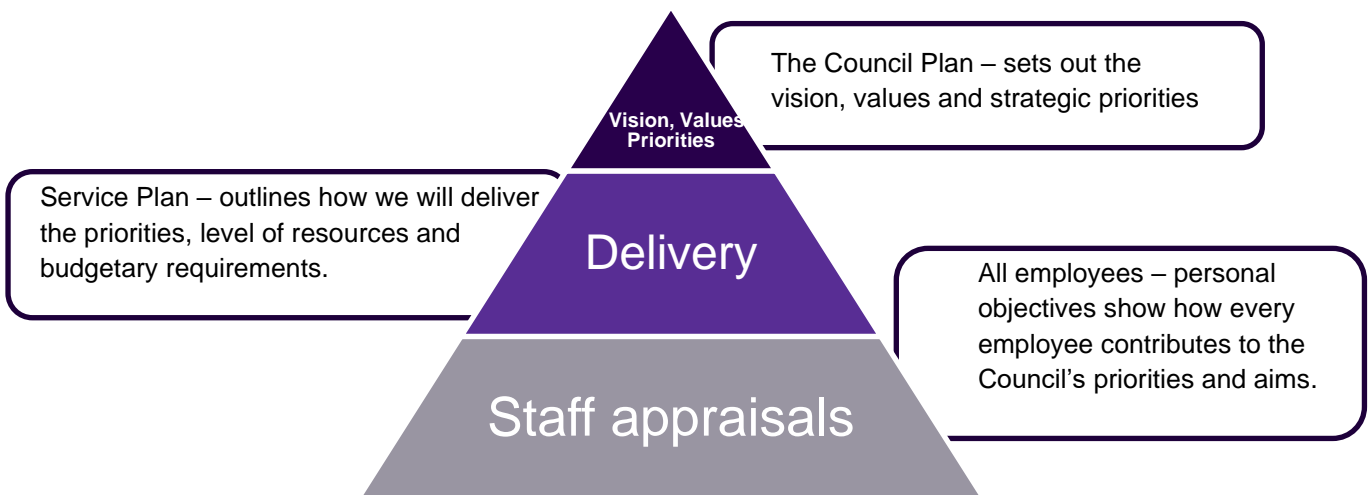
Report: Performance reports will be collated and reviewed by Heads of Service and the Leadership Team before being reported to the appropriate Committee.

Review: Monitoring delivery of performance through data analysis, actions to improve performance and benchmarking.

4.2 Council Vision

The Performance Management Framework consists of three levels:

- The Council's vision, values and priorities which are articulated in the Council Plan, form the apex of the performance management framework. These priorities cascade down through the organisation, as illustrated on the diagram below.
- The Service Plans support the delivery of the Council Plan priorities and shape the objectives of all Council employees. Each service area of the Council, each lead by a Head of Service maintains a Service Plan that details the purpose, challenges, performance indicators and risks necessary to meet the objectives of the Council Plan.
- SDDC staff have performance development reviews (PDRs) at which their individual competencies and progress towards targets set by the Head of Service outlined in the Service Plan are monitored. In this way each member of staff sees how their day-to-day work makes an important contribution towards achieving the priorities of their particular service and ultimately the aims of the Council Plan.



4.3 The Council Plan

The Council Plan sets out the vision for the South Derbyshire. The plan explains the services the authority intends to provide and how they will be delivered. The Council Plan details the Council's specific priorities and aims over a period of four years (2024 to 2028.) These commitments focus on four key priorities:

- Shape our Environment.
- Drive our Economy.
- Support our Communities.
- Transform our Council.

Each of these priorities has specific aims and outcomes to be tackled, with progress monitored regularly through the Leadership Team and Committees.

4.4 Service Delivery Plans

The Council Plan does not cover everything the Council does. As well as enabling effective monitoring and leading our performance management, it links the Council's strategic priorities and aims directly to the activities of each service area through annual Service Plans. A Service Plan is produced for each of the service areas across the Council.

Service Plans are owned by Heads of Service as they are responsible for producing them and for delivering them. Performance and risk in relation to matters included within the Service Plans is discussed in 121 reviews between each Head of Service and their Executive Director.

Service Plans will be updated annually and will be approved in May prior to the PDR process commencing in June and concluding in July.

4.5 Personal Development Reviews

This process will allow for regular discussion and assessment of staff performance, potential and development needs. One of the key benefits of this process for the Council is that it aligns and focuses an individual's objectives with the achievement of organisational goals. It enables:

- A framework for staff to consistently achieve high performance for customers and residents.
- Recognition of individual/team contribution towards council priorities.
- Better focused and developed outcomes enabling the individuals full personal and professional potential to be met.

5 The Framework

- This framework outlines how the work that we already do fit together.
- The Council Plan outlines specific priorities which are the responsibility of the Heads of Service and Executive Directors to deliver. To ensure services are correctly designed to achieve these aims, each area develops a Service Plan.
- The Service Plan forms the cornerstone of the Council's performance reporting process by outlining in detail what the service area is committed to deliver over the next 12 months.
- Heads of Service and Managers are responsible for actively engaging their staff in the performance management process by familiarising them with their Service Plan and quarterly performance reports, and by regularly cascading performance information, including from the Council Plan.
- Service Plans, Council Plan performance reports and this Framework are all published on Connect for staff to access at any time.

6.0 Measure

6.1 Performance Measures

6.1.1 Being able to measure performance is key to managing performance, as only by devising appropriate measures can we properly monitor progress.

6.1.2 Sound business planning with clear objectives not only determines the appropriate business model but also establishes the conditions of success to be measured. This forms the basis of what

to measure to provide information based around clear performance objectives, tailoring performance measurement to key delivery drivers that cover.

6.1.3 Correctly devised measures clearly link inputs and activities to outputs and outcomes. This enables accurate monitoring and interpretation of current performance, supports continuous improvement, and affords credible projections of future performance.

6.1.4 Performance measures show how the organisation is progressing towards achieving strategic objectives, and what matters most to prioritise resources.

6.1.5 Performance monitoring happens at Leadership Team, Direct Management Teams, and at service level.

6.1.6 The Council Plan is monitored and reported to the Leadership Team and Elected Members on a quarterly basis. The quarterly performance report uses a RAGG system (red, amber, green and grey) to identify overall performance.

Grey is used for monitoring only or for measures or projects where the outturn is not yet known because it is reported annually.

6.1.7 When reporting overall performance to Committees amber and grey measures/projects are reported as on target. RAGG is defined as follows:

Red	more than 5% below target, under-performing, urgent action required.
Amber	5% below target borderline performance, on watch.
Green	Performing on or above target.
Grey	Monitoring only, or annual reporting where an outturn is not yet reported.

6.1.8 Performance monitoring is knowing how the Council is doing in relation to its indicators and targets. Monitoring performance by itself makes no difference if it is not acted upon. Areas of under-performance will require an exception report (**see Appendix 1**).

Progress and delivery of these actions will be reviewed and scrutinised by the Executive Directors to drive forward improvements.

7.0 Financial Monitoring

7.1 Fiscal Management

A fundamental aspect of the council's performance is its fiscal management which at SDDC is governed by the Executive Director of Resources and Transformation, as the S151 Officer. There is an established system for monitoring the council's financial position which is reported to Finance and Management Committee on a quarterly basis as well as forming part of the quarterly performance review process.

7.2 Revenue Budget

The Revenue Budget is approved by Council prior to the beginning of each financial year as part of the corporate planning process following the Financial Strategy and is developed from work undertaken at Directorate level. The Revenue Budget performance is monitored by the Council's Leadership Team and reported to the Finance and Management Committee on a quarterly basis.

7.3 Capital Programme

The Council's ten-year Capital Programme is agreed as part of the corporate planning process approved by Council prior to the beginning of each financial year. Progress on the Capital Programme is reported quarterly to Leadership Team and Committee along with the treasury management position.

7.4 Council Reserves

The level of reserves are agreed as part of the Financial Strategy which is set annually prior to the revenue budget, capital programme, treasury management strategy and council tax being set in February each year. Reserves are monitored on a quarterly basis and reported to is monitored by the Council's Leadership Team and reported to the Finance and Management Committee on a quarterly basis.

7.5 Departmental Monitoring

The Finance Team is responsible for co-ordinating budget monitoring for the relevant Managers with individual monitoring arrangements agreed by Executive Directors and Heads of Service. This involves individual progress meetings with Managers, regular reporting to Directors and Leadership Team and monitoring reports produced at agreed frequencies.

7.6 Value for Money

In addition to monitoring the council's financial position on a quarterly basis, the Council's performance is also monitored by each Service Manager and Head of Service. This ensures that the council is achieving best value for money whilst realising its objectives to meet the community's needs.

8.0 Data Quality

8.1 Accurate Information

8.1.1 Elected Members and the senior management team need performance information to:

- tailor service provision to community needs.
- identify and address areas of concern.
- demonstrate improving value for money.

The performance information reported must therefore be accurate.

8.1.2 Equally, the best selection of performance measures is of little use if monitoring data is unreliable or not reported effectively. These factors are therefore crucial when reporting performance information:

- Constructing valid measures or projects.
- Producing high quality data.
- Reporting information in context.
- Presenting information with insight and commentary.

Good data quality is essential for a strong and effective performance management framework. Performance reports are only as useful as the quality of the information used to generate them.

Poor data quality and performance information can lead to flawed decision making. Data quality is particularly important for Council officers who record data in Council systems, they need to be aware of their responsibilities and the impact they have on data quality. It is also important for officers with the responsibility for performance reporting to ensure that all indicator calculations are accurate and consistent and follow the agreed methodologies and definitions.

The Council recognises the importance of data quality as we need reliable and accurate performance information to manage our resources, meet the needs of the community and plan for the future.

To ensure that data is of good quality these criteria must be met:

Characteristics	Requirements
Accuracy	Data should be accurate for its intended purpose providing a fair picture of performance, enabling informed decision-making at all levels and balanced against the cost of producing such information. If some degree of inaccuracy is acceptable (for example, management information, where it may be more important that the information is available and acted on quickly) then this should be made clear to any users of the data. Data should be captured once only, although it may have multiple uses within the organisation or be shared with partners.
Validity	Data should be recorded and used with the correct application of any rules or definitions to allow comparisons to be made.
Reliability	Data must have trusted sources and consistent collection methods so that real changes in performance are reflected rather than variations in collection methods.
Timeliness	Data should be captured quickly, be available within a reasonable period and frequently enough to influence decision making processes
Relevance	Data should only be collected where it is of value to the Council and requirements should be regularly reviewed. Information used in decisions should be fit for the specific decision being made and presented in a way a decision maker will understand.
Completeness	All relevant data should be recorded. Incomplete or invalid data is a sign of poor data quality.

Methodology statements are written for each Council Plan performance measure to ensure all definitions and calculations are recorded consistently (**see Appendix 2.**) The Performance and Policy Officer reviews each methodology statement prepared to ensure that it captures all of the required information and is in line with the Performance Dashboard. All methodology statements include a confidence level indicator based on the current method of data collection at the time.

The Council's Internal Audit team will perform checks on performance indicators (especially statutory measures and government returns) to ensure data quality is maintained.

9.0 Reporting Cycle

9.1 At SDDC performance is managed through a cyclical arrangement to enable continuous review and improvement. Performance is reported on a quarterly basis to Environmental & Development Services, Housing & Community Services and Finance & Management Committees. See Figure 1 below.

9.2 At the end of each quarter Council Plan performance data is collated, reported, and reviewed to monitor whether targets are being met and identify any improvements and actions needed.

9.3 Performance is reported quarterly to Executive Directors, the Leadership Team and Committees ensuring progress is continuously monitored and reported at every level of Council.

9.4 A quarterly overview of Council Performance is provided to Leadership Team summarising the key features arising and identifying under-performing KPIs.

Figure 1 - Reporting Cycle

- ❖ **Quarter 1 (April, May, June)**
 - Council Plan Q1 reported to Committees in August and September.
 - Service Plans approved in May.
- ❖ **Quarter 2 (July, August, September)**
 - Council Plan Q2 reported to Committees in November.
- ❖ **Quarter 3 (October, November, December)**
 - Council Plan Q3 reported to Committees in March
- ❖ **Quarter 4 (January, February, March)**
 - Q4 Council Plan reported to Committees in May and June

10.0 Roles and Responsibilities

Below outlines the key roles and responsibilities:

10.1 Elected Members

Elected Members and Committees are responsible for:

- contributing to the design and the development of the Council Plan.
- receive and review quarterly performance updates for progress made against priorities and aims outlined in the Council Plan.
- proactively and constructively scrutinise and challenge performance.

10.2 Executive Directors

The Chief Executive and Executive Directors are responsible for:

- drive performance management culture across the Council.
- ownership of the Council Plan.
- adopt a corporate approach to performance, delivery, and improvement.
- ensure all plans and targets (Council Plan and Service Plans) are set at the right level of ambition, are fit for purpose and are consistent with the vision and priorities of the Council.
- responsibility for directorate data quality (and appropriate delegation of responsibility throughout directorate.)
- responsible for approving the work programmes for reporting Council Plan performance to Elected Members.
- verify and sign off quarterly Council Plan performance reports relating to their directorate.
- Approve Council Plan performance targets as part of the annual review.
- review and approve the Service Plans for their Directorate.

10.3 Heads of Service

The Head of Service take a strategic lead and has the overall responsibility for:

- lead a performance management culture within their service area.
- ensure benchmarking information is embedded into performance monitoring and is used to inform target setting and decision making.
- responsible for actively engaging their staff in the performance management process by familiarising them with their Service Plan and Council Plan.
- accountable for ensuring all deadlines are met for performance and risk reporting.
- accountable for the delivery of performance indicators outlined in the Council and Service Plans.

Council Plan

- ensure performance information for the Council Plan is collated and reviewed monthly within the service area.
- take action if a Council Plan measure or project is identified as 'not on track' during the monthly review.
- verify and sign off Council Plan performance reports on a quarterly basis in preparation for reporting to the Leadership Team and Committee.
- agree and implement mitigating actions for all areas of under-performance in the Council Plan.
- ensure performance out turns against the Council Plan is communicated to their teams in a timely manner, following Leadership Team approval, on a quarterly basis.
- to ensure wherever possible a second officer is fully aware of how data is collected for Council Plan performance to provide cover to the data collector if required.
- Undertake and annual review of projects or measures in the Council Plan to confirm they remain fit for purpose and to set the target for the following year.

Service Plan

- responsible for the production and delivery of Service Plans, ensuring they contribute towards the delivery of the priorities and aims outlined in the Council Plan.
- responsible for updating and maintaining the Service Plan.
- responsible for consulting with Managers and officers in their service area on the annual review of the Service Plan.
- responsible for monitoring progress against the Service Plan measures and projects throughout the year and utilising the performance information in 121s and PDRs.

10.4 Managers

- are responsible for actively engaging their staff in the performance management process by familiarising them with their service plan and Council Plan.
- encourage a performance management culture within their service area.
- set, monitor, and progress team and individual objectives through the Personal Development Review (PDR) and work with their team to deliver against the Council and Service Plans.
- manage individual and team performance through effective leadership and coaching and take appropriate action in the event of poor performance.
- provide progress reports back to Heads of Service to ensure the management of performance.
- responsible for ensuring all deadlines are met for quarterly data collection for Council and Service plans.
- Support the Head of Service with the provision of benchmarking information for performance.

10.5 Data Reviewers - Performance

The 'data reviewer' should be either a Head of Service, Manager or Team Leader. They should be separate to the 'data collector' and are responsible for:

- ensuring that adequate, safe systems are maintained.
- ensuring that the performance information provided is accurate, meets the methodology and is delivered to meet performance reporting deadlines.
- agreeing if the indicator is on track or failing target and agreeing any actions needed to improve or sustain performance.
- agreeing any mitigating actions with the Head of Service and progress the delivery of these actions through regular 1-2-1's.
- provide a quarterly performance overview.

10.6 Data Collectors - Performance

Each performance measure and project should have a named officer who is the 'Data Collector' and is responsible for:

- the collecting and inputting of the performance information into the Council Plan performance dashboard and ensuring the exception report is updated to meet performance reporting deadlines.
- ensure the performance update is of the highest quality and accuracy.
- ensure data quality checks are carried out to data which is received from external sources.
- ensure the data is collected in line with working methodologies and deadlines.
- Notify their Manager if unavailable (due to annual leave) to produce the performance data to meet the performance reporting deadlines.
- retain records of data collection should information be required by internal audit.
- informing the 'data reviewer' that the performance data is available for review.

10.7 Corporate Performance and Policy Officer

The Corporate Performance and Policy Officer supports and guides the Chief Executive, Executive Directors, Heads of Service and Officers in delivering the Performance Management Framework by:

- responsible for setting and communicating the work programmes for reporting Council Plan performance to Elected Members.
- supporting and guiding the Executive Directorates in the production of all relevant plans.
- developing and maintaining the Performance Management Framework and supporting Frameworks (Risk Management Framework and Policy Management Framework.)
- coordinating and managing the quarterly performance process and reporting.
- providing expertise to support evidence-based decision making.
- performing an annual data quality audit of a sample of performance indicators to check the robustness of the data collection process.
- highlighting any high-risk areas following the data quality checks to management, on an annual basis.
- informing Executive Directors when deadlines are missed and there is a risk of submitting missing data.
- ensuring all quarterly performance reports are submitted to Committee in a timely manner.
- attend the quarterly Leadership Team meeting and present an oversight of Council Plan performance.
- lead on the annual target setting process for the project and measures outlined in the Council Plan.
- publish quarterly performance information internally and externally.

10.8 All employees

Employees have a responsibility to manage their own performance and to deliver against actions identified as part of their annual Personal Development Review (PDR). Employees have a responsibility to:

- 'flag up' any areas of concern that impact on performance.
- attend Team meetings – these are used as a mechanism to engage employees in two-way feedback on performance.
- involved in the setting of key objectives and targets in the service delivery plan and any personal action plans.
- should always be involved in the review process and recommendations for any changes.

10.9 Internal Audit

- perform an annual audit of a sample of performance indicators and associated data quality using a range of quality assurance checks.
- perform an audit of the performance management framework.

11.0 Performance Reporting and Review

In line with the quarterly monitoring, the Council Plan performance dashboard and exception report(s) will be produced on a quarterly basis and submitted to the appropriate Committee.

There are several review processes which take place at different levels prior to reporting to Committee. These include the following:

11.1 Data Review

The Head of Service is usually the named person responsible for reviewing all performance data at the end of each reporting period.

The Data Reviewer is responsible for:

- agreeing if the indicator is on track or failing the target.
- agree what action(s) need to take place to improve or sustain performance.
- Agree any mitigating actions.

Once the data has been reviewed and accepted the information should be entered into Connect in the [performance reporting section](#).

11.2 Executive Directorate Review

Council Plan performance will be collated monthly, the Heads of Service will provide an update to their Executive Director on progress against the Council Plan and underperforming areas will be identified and actions to improve performance outlined.

Heads of Service will ensure Council Plan performance is approved and inputted into the performance system on a quarterly basis in line with the Council Plan performance reporting schedule, the schedule will be published by the Performance and Policy Officer to all officers involved in the Council plan data collection process in advance of the deadlines.

On a quarterly basis the Performance and Policy Officer will provide the Council Plan Performance Dashboard and Exception Report to the Executive Director. The Executive Director is to review and approve the performance information (via 121s or DMTs – to be determined and organised by the Executive Director.)

11.3 Leadership Team Performance Review

The Leadership Team monitor the 'Health of the Organisation' each quarter, whereby officers present updates around Council Plan and financial performance in addition to sickness data, customer feedback, data protection and health and safety issues. Council Plan Performance information will be approved before submission to the draft agenda deadlines for H&CS, E&DS and F&M Committees.

11.4 Committee Review Process

Elected members will review, and challenge Council Plan performance based on the latest performance dashboard and exception report.

11.5 Annual Review of Council Plan

On an annual basis, the targets for the following financial year for each of the performance measures and projects outlined in the Council Plan will be agreed by the Heads of Service and approved by the Executive Directors and Leadership Team.

12 Managing Risk

The Council's Risk Management Framework outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for the delivery of the Risk Management function and provides guidance to ensure management of risk is a routine process for all services.

13 Internal Audit

The Council's auditors provide internal assurance controls and external validation through an audit process. During these audits, the officer responsible for data collection should be available to provide all supporting information. If that officer is not available, there should be at least one other officer who is able to provide advice and information on their Corporate and Service measures. The audit will require the methodology statements to confirm the definition has been followed, the calculations are correct, and the performance measure is supported by a full audit trail.

The Corporate Performance and Policy Officer will provide assurance to the Council's auditors by carrying out a mini audit on a sample of measures, any high-risk PI's will be highlighted with the Council's auditors annually.

The Performance and Policy Officers monitoring and review process will involve:

- annual meetings with PI originators and Heads of Service to ensure that correct systems and procedures are in place.
- quarterly monitoring and review of key Performance Indicators with the Management Team.
- follow up of any data quality queries from members of staff.
- liaising with internal and external audit regarding and data quality issues they have come across as part of their review / inspection programme.

Internal or External Audit will provide the Performance and Policy Officer with any recommendations following an audit of Corporate Performance. All recommendations will be responded to, and an action plan will be prepared. All recommendations and action plans will be reported to the Audit Sub-committee.

14 Communication

Performance against the Council Plan will be communicated to staff via several different methods:

- Internal notice boards
- Let's Connect
- Connect
- 121s
- PDRs

Council Plan performance will be communicated to residents via the South Derbyshire District Council website.

14.4 Website Page

As part of the process of communicating the framework, the Council's performance website page will be refreshed quarterly. The aim is for the website to provide access to the following tools and resources:

- Performance Infographics
- Performance Management Framework
- Annual Report
- Equality, Diversity and Inclusion Annual Report.

15 Appendices

15.4 Appendix 1 Exception Report

Shape our Environment - A sustainable future adapting to and mitigating climate change to deliver our net zero commitments so that future generations can thrive.

Priority: Shape Our Environment			
SE1 Work with partners, key stakeholders and our communities to tackle climate change and strive to become carbon neutral by 2030.			
Measure and Reference		Committee	
Definition		Baseline Data	
Benchmarking Information			
2023-2024 Out turn (Cumulative)		2023-2024 Target	
Performance Overview - Quarterly Update		Actions to improve performance	

15.5 Appendix 2 Methodology Statement

Measure and Reference				
Summary of measure	<i>The purpose of the Performance Indicator is to measure</i>			
Collection interval	Performance will be reported on a monthly / quarterly / bi-annually/ annual basis			
Reporting lag	Data should be captured quickly, be available for the intended use within a reasonable time period and frequently enough to influence decision making processes. Example: The calculation of this PI is to be undertaken within 8 working days of the period end.			
Definition of measure	This indicator is designed to measure - description.			
Return format	Percentage/ number	Planned target over four-year Council Plan	Decimal places	Report to how many decimal places?
Summary of measurement	Worked example of measure if applicable			
Data Collector	Specify who is responsible for data quality and safeguards to ensure accuracy. (Each performance measure should have a named officer who is responsible for the collecting and reporting of the information. The responsibility of the data collector is to input, store, retrieve or otherwise manage data to ensure that it is of the highest quality and accuracy)			

Data Source & Quality Assurance	Specify the data source and methods of collection: (Data must have trusted sources and consistent collection methods so that real changes in performance are reflected rather than variations in collection methods. – confidence level of accuracy – how do we know it is trustworthy and accurate?)	Confidence Level	Level of accuracy (If data is collected via a System the confidence level is green, manual collection for example a spreadsheet is Amber, and project-based measures are red)
Data Reviewer	Specify the person responsible for verifying the data (The data reviewer is responsible for data verification ensuring that adequate, safe systems holding an acceptable standard of information are developed and maintained and that the performance information they provide is accurate, timely and meets the relevant guidance).		
Head of Service	The Head of Service takes a strategic lead and has the overall responsibility for ensuring the performance measures report and performance dashboard are completed within the performance deadlines.		
Strategic Lead			

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 12
DATE OF MEETING:	20 JUNE 2024	CATEGORY: RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC:
SUBJECT:	OUTCOME OF THE AUDIT COMMITTEE SELF-ASSESSMENT	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

1.1 That the Committee:

- A) note the outcome of and actions arising from the informal member working group review; and
- B) note that this will also be reported to Council in a forthcoming annual report, with a recommendation that where actions require changes to the Council's Constitution, that these are fed into a future governance review.

2.0 Purpose of Report

2.1 To share the outcome of the self-assessment of the Audit Sub-Committee against the Chartered Institute of Public Finance and Accountancy's (CIPFA) guide for local authorities.

3.0 Detail

Background

3.1 In 2022, the Chartered Institute of Public Finance & Accountancy (CIPFA) published a revised and updated edition of the document 'Audit Committees: Practical Guidance for Local Authorities and Police'.

3.2 Building on the previous 2018 version, the revised guidance aimed to better focus the guidance for the most appropriate audience and for the first time has been produced in two sections.

3.3 The guidance documents themselves constitute the following and were shared with the Sub-Committee in the report on [6 September 2023](#).

- **The audit committee member in a local authority** - specifically targeted towards members of an audit committee.

- **Guiding the audit committee – supplement to the audit committee member guidance.** This is a supplement to the member guidance and is designed for officers responsible for guiding and supporting audit committees and contains references to relevant resources with weblinks, additional information for officers to help ensure operations meet appropriate legislation and good practice and refers to relevant recommendations from the Redmond Review.
- **CIPFA Audit Committees Position Statement 2022** - this sets out roles and responsibilities and good practice principles for audit committees. CIPFA is clear that Audit Committees are a key component of an authority's governance framework, their purpose being to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.
- Two interactive documents to self-assess and evaluate the committee arrangements against good practice. These set out key areas for self-assessment and evaluation including Audit Committee Purpose and Governance; Functions of the Audit Committee; Membership and Support; and Effectiveness of the audit committee.

3.4 It is important that the Council's Audit Committee demonstrates a high level of compliance with best practice guidance on Audit Committees to ensure that it can evidence its effectiveness as a scrutiny body and as a foundation for strong corporate governance. CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective Audit Committee arrangements.

3.5 It is recommended that Members note the updated guidance as set out and agree to meet informally to complete the self-assessment, the results of which will, together with officers' review of the updated guidance, inform an action plan for subsequent consideration and approval.

Self-assessment process and outcome

3.6 At its meeting on 6 September 2023, the Audit Sub-Committee resolved to form an informal member working group to undertake a self-assessment of good practice and report back to a future Audit Sub-Committee meeting.

3.7 Since the meeting, all 2023/24 members of the Audit Sub-Committee, Councillors Amy Wheelton, David Shepherd, Alan Jones, Alistair Tilley and Neil Atkin, met with the Executive Director – Resources and Transformation and Head of Finance over the course of 3 in-person meetings between February and April 2024, to review the current arrangements against the CIPFA guidance.

3.8 A summary of the self-assessment reviews can be found in appendices F and G.

3.9 Appendix A – Self-assessment of the impact and effectiveness of the Audit-Sub Committee: South Derbyshire District Council.

3.10 The evaluation has been completed with commentary added to the far right column of the document.

3.11 A number of proposed actions are detailed in this self-assessment:

- That an Annual Report should be published by the Committee Publish an annual report
- That an update on the Committee's engagement on fraud should be included as part of the of the Committee's Annual Report
- That an update on the Committee's review of the Local Code of Corporate Governance should be included as part of the Committee's Annual Report
- That the Executive Director – Resources and Transformation (formally the Strategic Director [Corporate Resources]) undertakes a review of Internal Audit provision in the future.

3.12 Appendix B – Self-assessment of good practice: South Derbyshire District Council – Audit Sub-Committee.

3.13 The self-assessment shows compliance by way of “x” as either:

- Does not comply; or
- Partially complies and requires:
 - Significant improvement;
 - Moderate improvement; or
 - Minor improvement; or
- No further improvement.

3.14 Where commentary has been added to the document, this is highlighted in yellow.

3.15 A number of areas were identified as not complying or requiring improvement.

3.16 Appendix C

3.17 Actions to be taken forward are set out in Appendix C, along with proposed timescales. Where actions require changes to the Council's Constitution, it is proposed that these are fed into a future governance review.

Conclusion

3.18 The outcome of the working group has identified several areas that require further attention to be in line with the CIPFA guidance. These matters were reported to the Audit Sub-Committee Committee at its next meeting on 19 June 2024.

3.19 It is proposed that actions are taken forward as outlined in Appendix C, and with actions requiring changes to the Constitution to be fed into a future governance review which is currently being scoped and timetabled by the Executive Director – Law and People.

4.0 Financial Implications

4.1 None

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 **Background Papers**

7.1 [Audit Committee Self-Assessment, 6 September 2023.](#)

7.2 Outcome of the Audit Committee Self Assessment, Audit Sub-Committee, 19 June 2023.

Self-assessment of the impact and effectiveness of the Audit Sub-Committee: South Derbyshire District Council April 2024

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting the principles of good governance and their application to decision making.</p>	<ul style="list-style-type: none"> Supporting the development of a local code of governance. Providing a robust review of the AGS and the assurances underpinning it. Supporting reviews/audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships. 	<ul style="list-style-type: none"> Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. Local arrangements for governance have been clearly set out in an up-to-date local code. The authority’s scrutiny arrangements are forward looking and constructive. Appropriate governance arrangements established for all collaborations and arm’s-length arrangements. The head of internal audit’s annual opinion on governance is satisfactory (or similar wording). 	<p>Strengths:</p> <ul style="list-style-type: none"> Head of Internal Audit opinion satisfactory Local Code of Corporate Governance reviewed annually and clear and up to date Committee is undertaking this self-assessment More training is being undertaken <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> Scrutiny arrangements may be under utilised. The Overview & Scrutiny Committee could consider undertaking a self-assessment. Audit Sub-Committee recommendations do not have traction with Leadership Team in all cases. <p>Proposed actions:</p> <ul style="list-style-type: none"> Include an update on Committee’s review of the Local Code of Corporate Governance as part of the of the Committee’s Annual Report

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Contributing to the development of an effective control environment.</p>	<ul style="list-style-type: none"> • Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant concerns over controls with appropriate senior managers. 	<ul style="list-style-type: none"> • The head of internal audit’s annual opinion over internal control is that arrangements are satisfactory. • Assessments against control frameworks such as CIPFA’s FM Code have been completed and a high level of compliance identified. • Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement. 	<p>Strengths:</p> <ul style="list-style-type: none"> • Satisfactory opinion from the Head of Internal Audit • CIPFA Financial Management Code review undertaken previously and Strategic Director (Corporate Resources) has advised current review underway <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • <p>Proposed actions:</p> <ul style="list-style-type: none"> •
<p>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p>	<ul style="list-style-type: none"> • Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking. • Monitoring improvements to risk management. • Reviewing accountability of risk owners for major/strategic risks. 	<ul style="list-style-type: none"> • A robust process for managing risk is evidenced by independent assurance from internal audit or external review. 	<p>Strengths:</p> <ul style="list-style-type: none"> • <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • Acknowledge the External Auditors recommendation around risk management (ASC 06/03/2024) and await the outcome of the ongoing Section 151 Officer’s review • Acknowledge the Audit Sub-Committee do not currently comply in respect of managing risk <p>Proposed actions:</p> <ul style="list-style-type: none"> •

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<ul style="list-style-type: none"> • Reviewing the adequacy of the leadership team’s assurance framework. • Specifying the committee’s assurance needs, identifying gaps or overlaps in assurance. • Seeking to streamline assurance gathering and reporting. • Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit. 	<ul style="list-style-type: none"> • The authority’s leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. 	<p>Strengths:</p> <ul style="list-style-type: none"> • Review the effectiveness of assurance providers – e.g. Internal Audit coverage reviewed 2023/24 <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • Difficult to review the effectiveness on External Audit due to lack of engagement / presence since 2020 <p>Proposed actions:</p> <ul style="list-style-type: none"> • That the Strategic Director (Corporate Resources) undertakes a review of Internal Audit provision in the future
<p>Supporting effective external audit, with a focus on high quality and timely audit work.</p>	<ul style="list-style-type: none"> • Reviewing and supporting external audit arrangements with focus on independence and quality. • Providing good engagement on external audit plans and reports. • Supporting the implementation of audit recommendations. 	<ul style="list-style-type: none"> • The quality of liaison between external audit and the authority is satisfactory. • The auditors deliver in accordance with their audit plan, and any amendments are well explained. • An audit of high quality is delivered. 	<p>Strengths:</p> <ul style="list-style-type: none"> • Review and support External Audit plan <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • Difficult to review the effectiveness on External Audit due to lack of engagement / presence since 2020 • Liaison between External Audit and the authority could be improved • Audit has not been delivered, despite the Council having prepared its statements on time <p>Proposed actions:</p> <ul style="list-style-type: none"> •

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	<ul style="list-style-type: none"> • Reviewing the audit charter and functional reporting arrangements. • Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. • Actively supporting the quality assurance and improvement programme of internal audit. 	<ul style="list-style-type: none"> • Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). • The head of internal audit and the organisation operate in accordance with the principles of the CIPFA Statement on the Role of the Head of Internal Audit (2019). 	<p>Strengths:</p> <ul style="list-style-type: none"> • Internal Audit and Head of Internal Audit conforms with relevant requirements <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • <p>Proposed actions:</p> <ul style="list-style-type: none"> • As above, future review of Internal Audit provision
Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements. 	<ul style="list-style-type: none"> • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory. 	<p>Strengths:</p> <ul style="list-style-type: none"> • Arrangements to review and assess performance are satisfactory <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • <p>Proposed actions:</p> <ul style="list-style-type: none"> •

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<ul style="list-style-type: none"> Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. Considering how performance in value for money is evaluated as part of the AGS. Following up issues raised by external audit in their value-for-money work. 	<ul style="list-style-type: none"> External audit’s assessments of arrangements to support best value are satisfactory. 	<p>Strengths:</p> <ul style="list-style-type: none"> <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> The ASC has not received a report on the Council’s value for money arrangements due to the audit backlog <p>Proposed actions:</p> <ul style="list-style-type: none">
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014). Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks. Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<ul style="list-style-type: none"> Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. 	<p>Strengths:</p> <ul style="list-style-type: none"> Receive annual fraud update and good connectivity with fraud team (Derby City) <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> The role of “Assessing the effectiveness of ethical governance arrangements for both staff and governors” is conducted via Annual Governance Statement. Are there requirements around regular reporting? Where does this sit? <p>Proposed actions:</p> <ul style="list-style-type: none"> Include an update on Committee’s engagement on fraud as part of the of the Committee’s Annual Report

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability.</p>	<ul style="list-style-type: none"> • Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it. • Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. • Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. • Publishing an annual report from the committee. 	<ul style="list-style-type: none"> • The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. • The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion. • The authority has published its financial statements and AGS in accordance with statutory guidelines. • The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. 	<p>Strengths:</p> <ul style="list-style-type: none"> • Annual accounts and Annual Governance Statement are published in accordance with statutory guidelines <p>Observations / Questions / Concerns:</p> <ul style="list-style-type: none"> • Accounts are published on time, but due to audit backlog, yet to receive auditors view on quality of accounts and adjustments • Uncertain where the remit for “Improving how the authority discharges its responsibilities for public reporting” sits. <p>Proposed actions:</p> <ul style="list-style-type: none"> • Publish an annual report

OVERALL QUESTIONS TO CONSIDER

- 1 Does the committee proactively seek assurance over the key indicators?
Yes, where the current functions are delegated to the Audit Sub-Committee under the Council's Constitution.

- 2 How proactive is the committee in responding to aspects of governance, risk, control and audit that need change or improvement?
For the areas under the Audit Sub-Committee's responsibilities, yes.
Concerns that items around governance have been raised in the past and not taken forward, but the Audit Sub-Committee is fulfilling their role in being proactive on these issues.

- 3 Are recommendations from the committee taken seriously by those responsible for taking action?
Audit cttee recommendations do not have traction with those in leadership team in all cases.

REPORTING RESULTS

The outcome of the review can be used to inform the committee's annual report.

Self-assessment of good practice: South Derbyshire District Council – Audit Sub-Committee

Good practice questions	Does not comply					Partially complies and extent of improvement needed*					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				

Audit committee purpose and governance

1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Has the committee maintained its advisory role by not taking on any decision-making powers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA’s 2022 Position Statement? No, as per Part 3 of Constitution, Responsibilities for Functions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles? Examples include outstanding internal audit recommendations 2023/24.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7	Does the governing body hold the audit committee to account for its performance at least annually? Annual report under development, but requires recognition in Part 3 of Constitution, Responsibilities for Functions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:					
• compliance with the CIPFA Position Statement 2022	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• results of the annual evaluation, development work undertaken and planned improvements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• how it has fulfilled its terms of reference and the key issues escalated in the year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The arrangements do not currently comply, but plans are being taken forward for an annual report to be shared for the 2023/24 year.					
Functions of the committee					
9 Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement as follows?					
Governance arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk management arrangements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal control arrangements, including:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• financial management					
• value for money					
• ethics and standards					
• counter fraud and corruption					
Annual governance statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limitations because of Sub-Committee status					
Assurance framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
External audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Over the last year, has adequate consideration been given to all core areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Not in respect of risk management					

11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?

12 Has the committee met privately with the external auditors and head of internal audit in the last year?

The Chair has, but the committee hasn't.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

Membership and support

13 Has the committee been established in accordance with the 2022 guidance as follows?					
<ul style="list-style-type: none"> Separation from executive 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA’s recommendation 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance? More required around risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18 Is adequate secretariat and administrative support provided to the committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Effectiveness of the committee

20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work? Internal and External Auditors to be approached	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement? Committee assessed as fully compliant, but keen to garner views from Officers, Internal Audit and External Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
22 Are meetings effective with a good level of discussion and engagement from all the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

members? Committee assessed as fully compliant, but keen to garner views from Officers, Internal Audit and External Audit

23 Has the committee maintained a non-political approach to discussions throughout?

Committee assessed as fully compliant, but keen to garner views from Officers, Internal Audit and External Audit

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers? The Committee felt they fulfill their role but this has been ineffective in some areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements? Yes and recent examples of this, such as referral of overdue Internal Audit actions to F&MC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
26 Do audit committee recommendations have traction with those in leadership roles? The Committee felt that this was not in all cases.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27 Has the committee evaluated whether and how it is adding value to the organisation? Annual report for 2023/24 agreed to be taken forward by Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28 Does the committee have an action plan to improve any areas of weakness?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29 Has this assessment been undertaken collaboratively with the audit committee members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Subtotal score					
Total score					110
Maximum possible score					200**

**Actions to be taken forward, arising from the
Self-Assessment of the Audit Sub-Committee against the CIPFA guidance**

Action(s) arising from self-assessment	How will be taken forward	Timescales
<p>Publish an annual report, in accordance with the 2022 guidance, including:</p> <ul style="list-style-type: none"> • compliance with the CIPFA Position Statement 2022 • results of the annual evaluation, development work undertaken and planned improvements • how the committee has fulfilled its terms of reference and the key issues escalated in the year • How the committee has evaluated whether and how it is adding value to the organisation <p>Ensure the annual report also includes:</p> <ul style="list-style-type: none"> • an update on Committee's review of the Local Code of Corporate Governance as part of the of the Committee's Annual Report • an update on Committee's engagement on fraud as part of the of the Committee's Annual Report • Request for feedback on the committee's performance from those interacting with the committee or relying on its work 	Annual report to be developed in consultation with Chair	Deliver to Audit Sub-Committee March 2025 and Council May 2025
Schedule member training to ensure all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee	Schedule and deliver training	By March 2025
That the Strategic Director (Corporate Resources) undertakes a review of Internal Audit provision in the future	Undertake review	By March 2026
Update the governance structure of the Council so that the audit committee report directly to full council	Feed into future governance review	TBC
<p>Update the terms of reference to clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement and in particular, in respect of</p> <ul style="list-style-type: none"> • Governance arrangements • Risk management arrangements • Financial reporting • Assurance framework 	Feed into future governance review	TBC

Schedule private meeting with the external auditors and head of internal audit	Schedule meetings	By March 2026
Recruitment of lay/co-opted independent members in accordance CIPFA's recommendation	Feed into future governance review	TBC
Undertake an evaluation of knowledge, skills and the training needs of the chair and committee members	Undertake evaluation and implement training	By March 2025
Raise any issues around the audit committee recommendations having traction	Chair to raise any issues with Executive Director – Resources and Transformation / Finance and Management Committee accordingly	Ongoing

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 13
DATE OF MEETING:	20 JUNE 2024	CATEGORY: DELEGATED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2023-24/Jun
SUBJECT:	PROVISIONAL REVENUE AND CAPITAL OUTUTRN 2023-24	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the Committee note the position and provide any comments it may have on the final revenue and capital financial position for the General Fund and HRA for 2023/24.
- 1.2 To approve the changes to Land Charges fees and charges as detailed in the report.

2.0 Purpose of the Report

- 2.1 To provide a final update on performance against the General Fund, Housing Revenue Account and Capital Programme budget for 2023/24.

3.0 Detail

INTRODUCTION

- 3.1 In February 2023, the Council approved its revenue and capital budgets. This report presents the final financial position of the Council for 2023/24.
- 3.2 Throughout the year, the Section 151 Officer committed to undertake a review of Earmarked Reserves to ensure the effective management of reserves. The outcome of this review is detailed in the report at 3.34.

FINANCIAL OVERVIEW

- 3.3 The approved budgeted position on the General Fund, approved in February 2023, was a total deficit of £1,941,151 which was amended to a total budgeted deficit of £2,504,641, following the transfer of provisions in year for departmental restructures and additional pay award.
- 3.4 The final outturn position on the General Fund was a total improved surplus position of £1,208,905.
- 3.5 The approved budget position in February 2023 for the HRA was £2,129,238 which has been subsequently amended for an additional sum of £225,080 for the pay

award and revenue compliance works in contingent sums. The final position on the HRA is a total improved deficit of £601,823 compared to the budgeted position of £2,354,318 as shown in 3.44.

3.6 Spending on the Council's Capital Programmes made good progress in 23/24, with a total spend of £7,717,970 against a budget of £7,580,744, resulting in a £137,226 overspend.

GENERAL FUND

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

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

3.8 Government funding and further details have now been confirmed for 2024/25 and approved at Council in February 2024. This has been reflected in the MTFP (**Appendix 1**).

3.9 The Base Budget for 2023/24 approved in February 2023 estimated a budget deficit of £1,941,151. Following an update to the medium-term financial plan the revised budget deficit is £2,504,641. A revised MTFP is detailed in **Appendix 1**.

3.10 Overall, the favourable £3.7m movement in the final position is due to spend being £885k lower than projected, contingent sums and provisions not utilised of £528k, the final position on business rates was £2.148m more favourable and additional funding streams of £99k Revenue Support Grant, £21k Levy account surplus distribution, £31k Business Rates Green Plant and Machinery Exemption and £8k Transparency Code New Burdens being received.

3.11 Operational Services, being a higher area of risk, shows an overall adverse variance of £960k which is predominantly due to vehicle hire, spare parts and agency cover. Within the 2024/25 budget additional investment for staffing resources and a new fleet replacement programme has been approved to target this issue.

General Fund Spend

3.12 Across the General Fund services, the final position shows an underspend of £885k which represents a 5.15% reduction in costs. Broken down further the pressures affecting service areas across the Council are offset by the high returns achieved from the Council's investment portfolio (£1,900,080).

3.13 The table below shows this net spend forecast movement.

COMMITTEE SUMMARY

Summary by Policy Committee

REVENUE	ANNUAL		
	Full Year Budget £	Full year Actual £	Projected Variance £
Environmental and Development Services	7,326,575	8,186,251	859,676
Housing and Community Services	3,106,785	3,237,129	130,343

Finance and Management	6,752,504	4,877,620	-1,874,885
TOTAL	17,185,864	16,300,999	-884,865

Contingent Sums	-806,258	-1,176,299	-370,041
TOTAL	16,379,606	15,124,700	-1,254,906

3.14 The forecast includes net transfers from Earmarked Reserves of £288k due to grant income, together with external contributions in Community Services for projects and capital schemes which stretch beyond the current financial year. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred. Details of which are shown in the table below.

3.15 The figures are also adjusted for income and expenditure associated with Section 106 contributions which are reported in **Appendix 3**.

Earmarked Reserves

Service	Variance £'000	Adverse/ Favourable	EMR	Reason for Variance
Tourism Policy, Marketing & Development	2	A	TIC Transfer Provision	Visitor information kit out costs and external shop front works
Promotion and Marketing of the Area	(66)	F	Capability Funding (NEW)	Capability and Capacity Funding received, but spend not yet committed
Community Development	1	A	Local Strategic Partnership Reserve	This relates to the Community Partnership arrangements and therefore any underspends are ringfenced for future projects.
Pollution Reduction	(24)	F	Geothermal opportunity mapping (NEW)	Income achieved from Commercialisation plan - earmarked towards energy viability studies
Pollution Reduction	(18)	F	Boroughwide view of mine water heating prospects (NEW)	Income achieved from Commercialisation plan - earmarked towards energy viability studies
Dealing with Development Control Applications	144	A	Planning staffing and support costs	Backlog works of which £200k was allocated
Transport Services	27	A	Growth Reserve	Mechanic post - funded by reserves
Household Waste Collection	22	A	Growth Reserve	Fleet management system implementation costs
Environmental Education	22	A	Get Active in the Forest Partnership	Increase in wages due to increased works on additional land following lease agreement. Adverse income due to reduced grant income, ability to obtain grants that cover core costs are increasingly difficult to obtain.
Community Safety (Crime	59	A	Crime and Disorder	

Reduction)			Partnership	
Sports Development & Community Recreation	93	A	Youth Engagement Partnership	Beat the Street and other events delivered in year
Outdoor Sports & Recreation Facilities (SSP)	34	A	Schools Sport Partnership Project	Reduction to Holiday Activity Funding and affiliation fees
Parks and Open Spaces	162	A	Cultural Services Public Open Spaces	Funded posts and open spaces maintenance to include play area repairs
Parks and Open Spaces	40	A	Operational Services Public Open Spaces	Tree maintenance works
Parks and Open Spaces	34	A	Urban County Park	Maintenance of Urban Park
Bed / Breakfast Accommodation	(11)	F	Homelessness Prevention	
Pre-tenancy Services	(326)	F	Homelessness Prevention	Grant funding not confirmed at budget setting (homelessness prevention). Also, funding received from DCC for household support, utilised instead of core funding
Digital Services	46	A	Business Change and Transformation	Granicus system funded by ICT reserve for the first two years. Mainstreamed in the budget from next year
ICT Support	13	A	ICT Reserve	Professional fees in relation to data-back up strategy project
Human Resources	1	A	Corporate Training	Leadership and Development Corporate training for managers
Communications	5	A	Corporate Training	Communications review
Estates Management	(76)	F	Public Buildings Maintenance	Underspend in repairs and additional income from commercial units - used to top up repairs reserve
Civic Offices & Depot	79	A	Public Buildings Maintenance	Draw down for repairs as part of PPM
Funded Pension Schemes	5	A	Pensions Reserve	
Council Tax Collection	27	A	Welfare Reform	Revenue/Debt Recovery apprentice posts (pro-rate to when posts were filled)
Revenues & Benefits Support & Management	30	A	Welfare Reform	IEG4 eForms
Revenues & Benefits Support & Management	20	A	DHP Rent Arrears	Repurposed to fund pension strain
Rent Allowances Paid	10	A	Discretionary Housing Payments	Additional Discretionary Housing benefits spend
Housing Benefits Administration	(6)	F	Council Tax Support Scheme - Hardship Fund	Underspend on the Local Council Tax Support Scheme for 23/24 from the Government - to be utilised against our discretionary scheme under our S13a policy

Housing Benefits Administration	(24)	F	Welfare Reform	New burdens received from Government
Procurement	(37)	F	Procurement Manager (NEW)	Underspend from Procurement Manager agency post being vacant for longer than expected
Total	288	A		

Quarter 3 Vs Final Outturn

3.16 The projected outturn at quarter 3 showed a General Fund deficit of £300,743. The final outturn shows an improved surplus position of £1,208,905 resulting in a £1,509,648 change, which has been outlined below:

Additional Funding:	£
Business Rates	780,972
CT Surplus	63,855
Grants underpayments	-3,854
Underspending (Year End Impacts):	
Contingent Sums Not Used	387,954
Bad Debt Provision	142,548
Provisions Not Used	157,500
Cost Centre Variations (Overspends)	-19,327
Total	<u>1,509,648</u>

3.17 As demonstrated in the above table, contingent sums and provisions have not been utilised at final outturn. The inclusion of these sums, to form part of the budget is an accounting technique employed up until 2023/24 as a means of protecting the General Fund against volatility and is the reason why the approved budget has moved throughout the year. However, with an enhanced focus on better budgeting and forecasting, these sums have been removed as contingent sums and provisions and now form part of the budget as necessary. This has the effect of improving further transparency around spend, and responds to Member feedback received during the year around the confusing nature in which the approved budget moved as a result of the funds being “drawn in”.

3.18 The variation on Business Rates is referred to within the funding section of this report at 3.24.

3.19 During the 2023/24-year, greater emphasis has been placed on robust financial management across the organisation. For the first time, Budget Holders were encouraged to develop and put forward budget proposals that went through a number of review processes before a final set of proposals being agreed by Council in February of this year.

3.20 Moving forward, the Finance Team will be building on the positive steps forward made to date by reviewing its current service delivery model to ensure its resources, skills and capacity is aligned to support Budget Holders.

3.21 As part of this, a self-assessment of the Council against the CIPFA Financial Management Code has been undertaken which has identified some areas for improvement in the way the Council manages its budgets against best practice for sustainable financial management in local authorities. As part of this assessment improvements have been identified to improve financial management techniques around forecasting, particularly with reference to Business Rates, which will be implemented in the forthcoming year.

Funding

3.22 The Council's central funding, besides Business Rates, is fixed for the year and is shown in the table below.

3.23 The Business Rates outturn position for last year, 2022/23, was £5.4m compared to a budgeted position of £3.8m. A revised forecast position of £5.34m was presented for Business Rates during Quarter 3. The final outturn for Business Rates shows a position of £6.12m. The variance on Business Rates estimations is shown below:

	Q3	FINAL	CHANGE
	£	£	£
Non-Domestic Rates Income	11,057,140	10,923,600	-133,540
Interest	0	-700	-700
Bad Debt	-13,218	-303	12,916
Appeals	-10,313	200,128	210,442
Transitional Payments	587,200	587,600	400
Cost of Collection	-38,518	-38,518	0
S31 Grants for Reliefs	2,801,085	2,565,933	-235,152
Cost of Collection - Allowance	96,294	96,294	0
Levy Due	-1,631,150	-1,698,204	-67,054
Pooling Benefit	0	993,660	993,660
Tariff	-7,668,615	-7,668,615	0
Revaluation Adjustment	160,883	160,883	0
BUSINESS RATES RETENTION	5,340,788	6,121,760	780,972

3.24 The Council is part of a Business Rates Pool for which we receive a benefit by paying a lower tariff. This year quarterly forecasting was introduced with our pooling lead (Derby City Council), which had previously not been shared. Given the work in progress of these forecasts, when estimating our business rates retention, a cautious approach was taken in relation to these estimations as demonstrated in the quarter 3 outturn. This has therefore resulted in a higher Business Rates income at final outturn.

3.25 As noted above, forecasting of Business Rates is an area that the Finance Team will be reviewing its current resources, skills and capacity for to ensure it can accurately forecast business rates.

3.26 The final position for 23/24 core funding against budget is shown below:

Core Funding

	Budget	Final
Core Grants and Funding 2023/24	£	£
Council Tax	6,577,466	6,577,466
Retained Business Rates	4,000,000	6,121,760
Service Grant Allocation	100,000	102,073
New Homes Bonus	1,500,000	1,479,684
Funding Guarantee	1,800,000	1,748,307
Revenue Support Grant	0	99,115
Levy Account Surplus Distribution	0	21,166
Business rates green plant and machinery exemption comp	0	30,511
Transparency Code New Burdens	0	8,103
Transitional Protection Funding	0	26,565

Collection Fund Surplus – Council Tax	55,000	118,855
Total Funding	14,032,466	16,333,605

3.27 The budget for Business Rates for 2024/25 will be reviewed in Quarter 1 given this outturn position for the 2023/24 year.

Virements

3.28 There were no virements in Q4 approved by the Section 151 Officer in line with the Council's Financial Regulations.

3.29 There are no virements for Committee approval.

Earmarked Reserves (EMRs)

3.30 The Council holds EMRs for a particular purpose and are set aside to meet known or predicted future expenditure in relation to that purpose. The reserves are monitored alongside the budget as part of monthly monitoring.

3.31 As part of the year end close-down processes, EMRS are requested by Budget Holders to either carry forward existing reserves that remain unspent or to create new reserves from under spends within the current budget year if that under spend is from a budget area that aligns with the purpose of the reserve to be carried forward. These reserves are checked by the Finance Team for accuracy before being presented to the S151 Officer for approval under delegated powers. Additional requests for the creation of reserves that are not from a specific budget area may be presented to Committee for approval.

3.32 As part of the S151 review of earmarked reserves, requests that did not meet the criteria in respect of timing and known commitments were not approved and instead the amounts transferred to reserves.

3.33 Assuming that reserves are utilised in line with the timescales agreed as part of their approval, reserves represent an effective means of utilising surpluses and underspends and ensuring delivery of projects.

3.34 The balance of Earmarked Reserves at March 2024 is £10.9m. These reserves and their status are detailed in **Appendix 4**.

Reserves

3.35 The balance of General Fund reserves at March 2024 is £18.3m. The Council approved the minimum level for General Fund reserves which indicates that the minimum level should be £1.35 million as a requirement to fall back on. Therefore, the Council is well within the minimum level of reserves.

3.36 As approved in April 2024 at Council there will be a creation of a Sustainable Finance Reserve of £10.4m which will be taken from General Fund reserves.

3.37 Other General Fund reserves at March 2024 are made of Capital Grants Unapplied of £15.3m which contains S106 funding and finally the Capital Receipts Reserve of £1.8m which has been committed against the Council's capital programme.

3.38 Section 106 contributions were reallocated from Earmarked Reserves to Capital Grants Unapplied during 2023/24, following identification of a misclassification. The reclassification as Capital Grants Unapplied reflects the nature of the funding and the

classification of its usage in the Financial Statements. The movement does not affect the overall useable reserve balances.

Projected Variances

3.39 The main reasons for the projected variances are summarised in the following tables, each detailed by Committee and Service Area. Commentary on the reason for the variance have been included as appropriate.

Environmental & Development Committee - Head of Environmental Services

Total adverse variance £5k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Food Safety	47	A	Certification Income - Reduction in certificate income due to Nestle Hatton plant being downsized due to decrease in Dulce Gusto pods usage. No export certificates from Brunel due to certification now required from vets (containing gelatine).
Pollution Reduction	(36)	F	Vacancies - Salary savings £32k -post filled mid-November. Consultancy Income - £40k work carried out from commercialisation plan, earmarked towards energy viability studies
Pest Control	(6)	F	Vacancies - Salary savings £8k
Public Health	(5)	F	Income - additional scrap metal income
Community Safety	5	A	Kennelling - Costs stabilised in year
Total	5	A	

Environmental & Development Committee - Head of Legal and Democratic Services

Total adverse variance £2k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Land Charges	4	A	Fees and charges - DCC increase in their fees and charges.
Licensing	(2)	F	Income - Fee income below average for the year. Still impacted from Covid and as a result of businesses closing.
Total	2	A	

Environmental & Development Committee - Head of ICT & Business Change

Total adverse variance £31k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Street Name and Numbering	31	A	Fees and charges - Reliant on developments, demand is low at the moment
Total	31	A	

Environmental & Development Committee - Head of Operational Services

Total Adverse variance £960k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Grounds Maintenance	(113)	F	Vacancies - Staff Vacancies, not requiring the use of Agency.
Street Cleansing	(24)	F	Vacancies - Staff vacancies £72k, covered by agency £20k. Sweeper Hire - £42k. Income - £10k higher
Household Waste	280	A	Variiances - Vacancy saving against agency overspend £47k. extra staff required to conduct rounds at 10 loaders and 5 drivers per week covering sickness. Vehicle Hire - £195k overspend, 2 vehicles still on hire due to spare RCV's no longer being in use. Purchase of bins
Trade Waste Collection	(23)	F	Commercial Income - Favourable on income from trade waste customers
Direct Services Central Admin	(125)	F	Vacancies - Vacancy saving £204k, Agency costs £79K
Transport Services	572	A	Spare Parts & Agency - Vacancy savings £9k, Agency costs £139k overspend Spare parts - overspend £360k. Insurance cost increase - £67k, Tyres overspend - £9k
Recycling	399	A	Vacancies - Staff vacancies £81k, covered by agency £492k. Agency forecasted on 10 loaders and 5 drivers hired a week to cover sickness and absence along with vacancies across both household and recycling.
Public Transport	(6)	F	Contract Cleaning - pressure washer now purchased. Funded by external funding and earmarked reserves and therefore budget not utilised towards purchase price.
Total	960	A	

Environmental & Development Committee - Head of Property Services

Total Favourable variance £12k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Off-Street Parking	(24)	F	Utilities - back dated charges lower than anticipated. Business rates - lower due to new revaluation year. Parking deficit - lower than anticipated from DCC
Public Conveniences	12	A	Utilities - overflowing of urinals
Total	(12)	F	

Environmental & Development Committee - Head of Planning

Total Favourable variance £122k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Dealing with Development Control Applications	(103)	F	Income - higher levels achieved

Structure and Local Planning	(19)	F	Income - higher levels achieved
Total	(122)	F	

Environmental & Development Committee - Head of Economic Development

Total Favourable variance £4k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Promotion and Marketing of the Area	(4)	F	Events - covered by Shared Prosperity fund in year
Total	(4)	F	

Housing & Community Services Committee - Head of Cultural & Community Services

Total adverse variance £236k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Indoor Sports & Recreation Facilities	206	A	Utilities - £510k overspend due to the increase in utility costs additional income from JPS recharge. This will be mitigated next year as a result of the new Leisure contract. Professional Fees - overspend for Procurement support in relation to new contract. Dilapidations - due from AN for end of contract
Rosliston Forestry Centre	78	A	Utilities - electricity owed to café
Cemetries	(21)	F	Income - Increased income due to increased need
General Grants, Bequests and Donations	19	A	Grants - Uplifted grant to Sharpes Pottery and Heritage (approved at F&M)
Defences Against Flooding	(4)	F	Grounds - most call outs have been to County for flooding which has meant costs are reduced
Get Active in the Forest	(15)	F	Income - higher levels of income achieved
Midway/Stenson Community Centre	(27)	F	Utilities - Actual utilities less than budget. Income - room hire exceeding budget due to regular block bookings and private hire
Total	236	A	

Housing & Community Services Committee - Head of Housing

Total favourable variance £106k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Housing Standards	(12)	F	Fees and Charges - Increase in HMO licenses granted along with default works charged
Other Housing Support Costs	(30)	F	Computer System - New system procured savings compared to budgeted system
Housing Strategy	(53)	F	Vacancy - Housing Development & Research Officer - Unsuccessful recruitment attempts

Administration of Renovation & Improvement Grants	(11)	F	Architectural Recharge - lower than anticipated budget
Total	(106)	F	

Finance & Management Committee - Head of ICT & Business Change
Total favourable variance £29k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Business Change	(22)	F	Vacancy - Senior Business Change Officer vacancy until August 23
Digital Services	(19)	F	Vacancy - Digital Systems Specialist vacancy until July 23
ICT Support	12	A	Vacancy - 1st line support post vacant for 3 months. Computing - increase in licenses due to corporate infrastructure and security upgrades
Total	(29)	F	

Finance & Management Committee - Head of Property Services
Total favourable variance £35k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Caretaking	(35)	F	Service charge - relating to DCC, increased due to works done on Civic Offices
Total	(35)	F	

Finance & Management Committee - Head of Legal & Democratic Services
Total favourable variance £92k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Legal Services	4	A	Vacancy - £35k Senior Legal Officer vacancy saving covered by agency costs £22k. Professional fees - £23k for expert advice on specific legal matters
Conducting Elections/Registration of Electors	(66)	F	Grant Funding - New burdens funding received for additional ID verification; costs have been absorbed within existing budgets. Canvas - lower costs than anticipated, mostly relating to wages for personal canvas
Democratic (inc Elected Members)	(30)	F	Variations - Members allowances due to vacancies in year and vacant Democratic Services Officer
Total	(92)	F	

Finance & Management Committee - Head of Finance
Total favourable variance £1598k detailed below

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Service	Variance £'000	Adverse/ Favourable	Reason for Variance
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Corporate Finance Management	30	A	Audit Fees - PSAA have confirmed 23/24 scale fee which has a 151% uplift to reflect procurement outcome. There is however scope to receive some money back as 23/24 audit will not be completed in full. Redmond review - funding received towards audit fee
Financial services	(18)	F	Vacancies - £30k accountant post covered by agency costs £13k
Interest Receivable	(1467)	F	Income - Investment income on current investment portfolio
Increase/Decrease in Provision for Bad or Doubtful Debts (GF)	(143)	F	Provision - lower than anticipated
Total	(1598)	F	

Finance & Management Committee - Head of Customer Services

Total favourable variance £121k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Council Tax Collection	(52)	F	Grant Funding - New burdens for Council Tax rebates, costs absorbed as part of existing budgets. Court fees - higher levels of income
Revenues & Benefits Support & Management	(38)	F	Vacancy - vacant apprentice post
Concessionary Fares	(12)	F	Contributions - Derbyshire County Council for Gold Card Scheme
Customer Services	(19)	F	Vacancies - CSA vacancies covered by agency costs. Computing/Professional Fees due to implementation of upgraded cash receipting system
Total	(121)	F	

Finance & Management Committee - Executive Director - Resources and Transformation

Total favourable variance £6k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Senior Management	(6)	F	Vacancy - Strategic Director vacancy - 2 months
Total	(6)	F	

Finance & Management Committee - Head of Operational Services

Total adverse variance £11k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Protective Clothing	11	A	Protective clothing - increase in agency/new staff
Total	11	A	

Finance & Management Committee - Head of Organisational Development

Total Favourable variance £5k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Health and Safety	(5)	F	Vacancy - Health and Safety Officer
Total	(5)	F	

3.40 Salary savings in year relate to vacancies (£1,621k) these savings are being offset by agency and consultancy to support services (£1,507k).

	Employee Savings £'000	Agency Costs £'000	Variance £'000	Comments
Economic Development	-25	49	24	Vacant Post
Environmental Services	-68	1	-67	Less hours worked than budget
Licensing & Land Charges	-87	54	-33	Land charges carried out by Lichfield
Planning	-85	176	91	Vacant Posts & Agency to cover back log
Street Scene	-211	18	-193	Vacant Posts - recruitment in progress
Waste and Transport	-597	1,016	419	Vacant Posts, sickness cover - recruitment in progress
Community Development & Support	-1	0	-1	Agreed additional hours - however externally funded
Recreational Activities	-9	0	-9	Less hours worked than budget
Lesisure Centres & Community Facilities	-12	0	-12	Vacant post
Parks & Open Spaces	-48	45	-3	Vacant post
Private Sector Housing	-81	60	-21	Vacant post
Central Services Support	-290	74	-216	Vacant posts
Corporate & Democratic	-5	0	-5	Vacant post
Elections & Registration	-25	0	-25	Vacant post
Estates Management	-4	0	-4	Less hours worked than budget
Revenues & Benefits	-73	14	-59	Vacant post
	-1,621	1,507	-114	

Land Charges Fees and Charges

3.41 The fees and charges that were set in February for 24/25 have posed a minor issue when being processed by National Land Information Service (NLIS). Some Land Charges fees are inclusive of VAT and therefore the gross charge gives multiple decimal places which the system cannot process.

3.42 Therefore, to rectify this issue, it has been suggested that fees and charges are amended to resolve this issue as outlined in the table below. The overall resulting loss of income will be minimal.

LAND AND PROPERTY CHARGES	Approved Fee 2024/25	Revised Fee 2024/25	Change
LLCI Local Land Charges Residential	31.05	31.05	0.00
LLCI Local Land Charges Commercial	49.68	49.68	0.00
CON 29R (required form) Residential	107.29	107.25	-0.04

CON 29R (required form) Commercial	188.02	188.00	-0.02
Full Standard Search (LLC1 & CON 29R) Residential	138.34	138.34	0.00
Full Standard Search (LLC1 & CON 29R) Commercial	237.70	237.70	0.00
CON 29 (optional form) Other Questions - Each Enquiry	37.67	37.65	-0.02
Each Additional Enquiry (applicant's own question)	31.05	31.05	0.00
Additional Parcel of Land	43.47	43.45	-0.02

HOUSING REVENUE ACCOUNT (HRA)

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

3.44 The Base Budget, after taking into account the revised contingent sums for the HRA are, an estimated deficit of £2.35m, and the final position is a deficit of £602k. After taking into account £216k funded from earmarked reserves, a reduced deficit position of £1.75m. The greatest variance is the increase in investment income and an increase in repairs and maintenance following on from the Housing Compliance report, of which the policy decision was presented at Housing and Community Services Committee on 16th November 2023.

3.45 Additionally, to alleviate the HRA reserves, the Major Repairs Reserve has been drawn down to finance the capital expenditure on Council dwellings. The statutory reversal of depreciation has been utilised against the repayment of debt, financing the loan repayment of £10m in year. This has had the effect of reinstating revenue that was originally planned to be utilised to fund capital expenditure. Given the existing financial pressure on the HRA and forthcoming financial pressures as a result of the work required to meet the Consumer Standards, this accounting change represents an optimum balance.

Position as at 31st March 2024

HRA SUMMARY BY AREA - BUDGET MONITORING MARCH 2024

	ANNUAL		
	Full Year Budget £	Full Year Actual £	Projected Variance £
Rent and Rechargeable Repairs	-12,982,571	-13,126,643	-144,071
Repairs and Maintenance	3,650,350	4,731,172	1,080,822
Managing Tenancies	2,267,602	2,311,505	43,904
Supported Housing	770,149	739,240	-30,908
Interest Payable	1,508,044	1,510,562	2,519
Interest Receivable	-196,604	-1,302,906	-1,106,302
Capital and Debt Repayment	4,807,023	5,731,140	924,117
Bad Debt Provision	131,000	7,752	-123,248
Contingent Sums	2,399,326	0	-2,399,326
	2,354,318	601,823	-1,752,495

Earmarked Reserves

Service	Variance £'000	Adverse/ Favourable	EMR	Reason for Variance
Housing Department Support Staff and Costs (HRA)	4	A	HRA ICT Mobile Working	Spend in relation to programme manager post
Responsive (DLO Trading HRA)	133	A	HRA Voids backlog	Additional void property works for compliance
Responsive (DLO Trading HRA)	166	A	HRA ICT Mobile Working	Implementation of new HRA mobile working system
Planned (HRA Revenue)	(37)	F	Social Housing Decarbonisation Fund (NEW)	Underspend in relation to Social Housing Decarbonisation Scheme - earmarked to spend in 24/25
Planned (HRA Revenue)	(50)	F	Asbestos/Stock Condition Surveys (NEW)	Asbestos/Stock condition survey costs as per compliance report in November, not spend. Will spend in 24/25
Total	216	A		

3.46 The Social Housing Decarbonisation scheme has both capital and revenue elements. Due to unforeseen circumstances, work relating to wave 2 has been delayed into 2024/25. The revenue underspend has been earmarked for spending as demonstrated in the above table, with the rescheduled capital works totalling £267,325 to be met from the Major Repairs Reserve.

Projected Variances

3.47 The main reasons for the projected variances are summarised in the following table, each detailed by Service Area. Commentary on the reason for the variance have been included as appropriate.

Housing & Community Services Committee (Housing Revenue Account) - Head of Housing Total adverse variance £647k detailed below

Service	Variance £'000	Adverse/ Favourable	Reason for Variance
Housing Department Support Staff and Costs (HRA)	21	A	Variances - Salary savings of (£14k) due to a vacant post, agency costs to cover £4k. Computing system - Increased cost for the Housing Ombudsman and Orchard implementation costs
Development & Regeneration (HRA)	(53)	F	Vacancy - Housing Development & Research Officer - Unsuccessful recruitment attempts
Rechargeable Repairs	10	A	New process not yet in place due to staffing issues
Responsive (DLO Trading HRA)	1144	A	Variances - Several long-term vacancies (£353k), vacancies covered by agency £565k. R&M £823k as a result of the Housing Compliance report, of which a total spend of £1m has been spent on void properties. Materials/Hire - £98k overspend

Planned (HRA Revenue)	(63)	F	Variiances - Agency costs to cover sickness £202k, salary saving of (£51k). R&M £214k saving
Managing Tenancies	78	A	Variiances - Agency costs to cover sickness and compliance work £117k, salary saving of (£13k), Council tax - £60k due to void rates. Compensation payments - nothing spent in year
Rent Collection & Accounting	(154)	F	Income - Rental Income collection higher than budget due to fewer voids than built into budget
Supported Housing	(31)	F	Income - Additional income from DCC for monitoring service
Interest Receivable	(1106)	F	Income - Investment income on current investment portfolio
Increase/Decrease in Provision for Bad or Doubtful Debts	(123)	F	Provision - lower than anticipated
Capital and Debt Repayment	924	A	Higher depreciation due to additional Council House purchases and enhancements. This has been utilised towards the repayment of debt as detailed in 3.45.
Total	647	A	

Reserves

3.48 The balance of HRA reserves at March 2024 is £3.6m. The Council approved the minimum level for HRA reserves which indicates that the minimum level should be £1m million as a requirement to fall back on. Therefore, the Council is well within the minimum level of reserves.

3.49 Other HRA reserves at March 2024 are made of Debt Repayment Reserve of £354k which will be utilised towards HRA debt repayments, Capital Receipts Reserve of £3.9m which will be used towards the purchase of new Council Dwellings and finally the Major Repairs Reserve of £3.9m which has been committed against the Council's capital programme.

Capital Programme

3.50 The Council's Capital Programme consists of many different projects covering both the General Fund and HRA.

3.51 The capital budget for 2023/24 was approved in February 2023 and has been updated following the outturn for 2022/23 to reflect the carry forward of income and expenditure for incomplete projects.

3.52 To the end of Quarter 4, there has been £4,036,377 of spend on General Fund and £3,681,593 on HRA programmes against budgeted spend of £7,580,744.

3.53 Key points of the programme for the year include:

3.53.1 New Builds – During the course of 2023/24 The Council acquired 8 new Council dwellings at both Newhall and Willington. These consisted of 2 bungalows and 6 houses.

3.53.2 Demolition of Bank House and Creation of Car Park – The new car park at Midland Road opened on 5th March 2024, which provides 54 additional car parking spaces for the Town Centre and includes 4 electric vehicle charging bays and 4 disabled bays. This space also includes an attractive pocket park planted with over 200 native copper beech trees.

3.53.3 Enhancements of Council Houses – £2.3m has been spent enhancing the Council's housing stock. These works include social housing decarbonisation to improve energy performance.

3.54 Details of the financial performance is summarised for each project in **Appendix 2**.

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

Employment Implications

5.1 None.

Legal Implications

5.2 None.

Corporate Plan Implications

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

Risk Impact

5.4 Financial risks and service pressures are detailed in the report.

6.0 Community Impact

Consultation

6.1 None.

Equality and Diversity Impact

6.2 None.

Social Value Impact

6.3 None.

Environmental Sustainability

6.4 None.

7.0 Background Papers

7.1 None.

GENERAL FUND MEDIUM TERM FINANCIAL PLAN BUDGET & PROJECTION DECEMBER 2023

	Approved Budget £ 2023.24	Amended Budget £ 2023.24	Actual F 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27	Projection £ 2027.28
BASE BUDGET							
Net Service Expenditure	16,174,521	17,185,865	16,300,999	19,850,141	20,468,267	20,593,506	21,219,616

Accounting Adjustments

Reverse out Depreciation	-1,364,523	-1,364,523	-1,364,523	-1,633,229	-1,633,229	-1,633,229	-1,633,229
Minimum Revenue Provision (MRP)	167,668	167,668	167,668	40,000	42,000	44,000	46,000
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	20,556	20,556	20,556	0	0	0	0
Contribution from Reserves for one-off expenditure				-784,892			
Additional MRP for Capital Bids					14,000	222,000	423,000
	14,998,222	16,009,566	15,124,700	17,472,021	18,891,038	19,226,277	20,055,388

Add: Known Variations

Vehicle Maintenance Plan (Tyres and Spare Parts)	25,000	25,000					
Operational Services - Allocated Growth Excluded From Base Budget	382,329	302,993					
Growth Provision Drawdown	-172,294	-172,294					
Land Charges Service Review Provision	0	116,000					
Public Sector Audit Appointments - Additional External Audit Fees	20,000	20,000					
Parish Concurrent Functions and Grants to Voluntary Bodies	10,885	0					
Driver and Mechanic Incentive Payment	34,722	44,917					
Local Plan Review	15,000	15,000					
Potential pay award	457,181	0					
Incremental Salary Increases	18,425	18,425					
Potential Loss of Industrial Unit Income	0	0					
District Election May 2023	0	0					
Members pay award 2023/24	0	0					
Investment Income	-150,000	0					
Increase in Electricity Tariff September 2023 to September 2024	74,000	0					
Pension Revaluation	109,430	0					
Pension Earmarked Reserve Drawdown	-6,783	0					
TOTAL ESTIMATED SPENDING	15,816,149	16,379,607	15,124,700	17,472,021	18,891,038	19,226,277	20,055,388

Provisions

Contingent Sum - Growth	105,000	105,000	
New Parishes - Concurrent Functions	2,500	2,500	
Waste and Recycling	50,000	50,000	
TOTAL PROJECTED SPENDING	15,973,617	16,537,107	15,124,700

17,472,021	18,891,038	19,226,277	20,055,388

FINANCING

Business Rates Retention	-4,000,000	-4,000,000	-6,121,760
Services Grant Allocation	-100,000	-100,000	-102,073
Lower Tier Services Grant Allocation	0	0	0
New Homes Bonus	-1,500,000	-1,500,000	-1,479,684
Funding Guarantee	-1,800,000	-1,800,000	-1,748,307
Council Tax Income	-6,577,466	-6,577,466	-6,577,466
Levy Account Surplus Distribution	0	0	-21,166
Revenue Support Grant	0	0	-99,115
Business rates green plant and machinery exemption comp			-30,511
Transparency Code New Burdens			-8,103
Transitional Protection Funding			-26,565
Transitional Funding			
Core Spending Power	-13,977,466	-13,977,466	-16,214,750
Add Estimated Collection Fund Surplus - Council Tax	-55,000	-55,000	-118,855
TOTAL FINANCING	-14,032,466	-14,032,466	-16,333,605
Revenue Surplus (-) / Deficit	1,941,151	2,504,641	-1,208,905

-6,668,000	-6,673,299	-4,347,720	-4,591,156
-16,061	-85,176	0	0
-1,441,000			
-1,978,784	-3,101,732		
-6,980,186	-7,311,082	-7,710,229	-8,104,811
-105,252	-115,542	-445,780	-410,502
		-3,868,154	-2,596,093
-17,189,283	-17,286,831	-16,371,883	-15,702,562
-55,000	-55,000	-55,000	-55,000
-17,244,283	-17,341,831	-16,426,883	-15,757,562
227,737	1,549,207	2,799,395	4,297,825

Capital Contributions

IT and Digital Strategy	160000	160,000	160,000
Purchase of Town Centre Land	0	44,335	44,335
Community Partnership Scheme	0	123,195	39,982
Rosliston Forestry Centre - Play Project	0	50,000	0
Asset Replacement and Renewal Fund	356000	356,000	356,000
TOTAL CAPITAL CONTRIBUTION	516,000	733,530	600,317
TOTAL GENERAL FUND DEFICIT/(Surplus)	2,457,151	3,238,171	-608,588

0	0	0	0
227,737	1,549,207	2,799,395	4,297,825

COMMITTEE SUMMARY - CAPITAL MONITORING MARCH 2024

Service Area	Accountable Budget Holder	Project	Q3 FORECAST	FINAL OUTTURN		
				EXPENDITURE	BUDGET	VARIANCE
Housing	Head of Housing	Major Improvements under Self-financing	2,303,841	2,305,990	2,083,000	222,990
Housing	Head of Housing	Major Disabled Facilities Grant (Council Houses MRA)	300,000	410,048	300,000	110,048
Planning & Strategic Housing	Head of Planning & Strategic Housing	New Build - Orchard Street, Newhall	276,068	276,068	0	276,068
Planning & Strategic Housing	Head of Planning & Strategic Housing	New Build - Park Road	252,878	250,488	0	250,488
Planning & Strategic Housing	Head of Planning & Strategic Housing	New Build - Moore Lane	3,000	3,000	0	3,000
Planning & Strategic Housing	Head of Planning & Strategic Housing	New Build - Milton Road	1,000	1,000	0	1,000
Planning & Strategic Housing	Head of Planning & Strategic Housing	New builds at Orchard Street	0	245,000	0	245,000
Planning & Strategic Housing	Head of Planning & Strategic Housing	New Build - Bittern View	0	190,000	0	190,000

HOUSING REVENUE ACCOUNT

3,136,787

3,681,593

2,383,000

1,298,593

Housing	Head of Housing	Disabled Facility Grants and other Works	750,000	737,864	750,000	-12,136
Housing	Head of Housing	Discretionary Top-up Grants	25,000	10,000	25,000	-15,000
Housing	Head of Housing	Healthy Homes Project	50,000	26,086	50,000	-23,914
Housing	Head of Housing	Dedicated Mental Health Worker	50,000	49,385	50,000	-615
Housing	Head of Housing	Additional Technical Officer	40,020	42,910	40,000	2,910
Housing	Head of Housing	Relocation Grant	2,395	2,395	50,000	-47,605
Planning & Strategic Housing	Head of Housing/Strategic Housing	Domestic Violence Crisis Prevention	70,000	68,055	71,000	-2,945
Environmental Services	Head of Environmental Services	Hospital Discharge Grant	55,000	31,886	55,000	-23,114
Environmental Services	Head of Environmental Services	Healthy Homes Assistance Fund	175,000	141,461	175,000	-33,539
Planning & Strategic Housing	Head of Housing/Strategic Housing	Handy Person Plus Project	70,201	88,264	84,000	4,264

Housing	Head of Housing	Temporary Health & Housing Co-ordinator	20,342	24,150	45,000	-20,850
Environmental Services	Head of Environmental Services	Temporary Public Health Officer	50,000	47,154	50,000	-2,846
Environmental Services	Head of Environmental Services	Fuel Poverty	0	0	50,000	-50,000
Housing	Head of Housing	Graduate Post	0	0	55,000	-55,000
Housing	Head of Housing	Careline Digital Equipment	90,000	43,010	90,000	-46,990
Housing	Head of Housing	Foundations Consultancy Project	22,000	15,111	40,000	-24,889
Environmental Services	Head of Environmental Services	Countrywide Health Impact Assessment Scheme	0	0	50,000	-50,000

Private Sector Housing

1,469,958

1,327,733

1,730,000

-402,267

Environmental Services	Head of Environmental Services	Fly Tipping and Environmental Surveillance	2,511	2,716	11,011	-8,295
Environmental Services	Head of Environmental Services	Empty Property Grants	7,000	14,408	38,000	-23,592
Environmental Services	Head of Environmental Services	Carbon Reduction	50,000	50,000	50,000	0
Environmental Services	Head of Environmental Services	Devolution Retrofit Scheme	0	17,269	0	17,269
Environmental Services	Head of Environmental Services	Green Homes Grant - Local Authority Delivery	500,000	335,691	840,000	-504,309

Environmental Services

559,511

420,083

939,011

-518,928

Cultural and Community Services	Head of Cultural & Community Services	Community Partnership Scheme	39,981	39,982	147,776	-107,795
Cultural and Community Services	Head of Cultural & Community Services	Oversetts Road Football Facility	119,525	54,312	1,187,159	-1,132,847
Cultural and Community Services	Head of Cultural & Community Services	SuDS Improvements	0	427	54,774	-54,347
Cultural and Community Services	Head of Cultural & Community Services	Paradise Garden, Swadlincote Town Centre	30,000	0	30,000	-30,000
Cultural and Community Services	Head of Cultural & Community Services	Revitalising Rosliston Forestry Centre	78,000	26,346	315,219	-288,873
Cultural and Community Services	Head of Cultural & Community Services	Improvements to Play Areas	10,000	10,000	193,050	-183,050
Cultural and Community Services	Head of Cultural & Community Services	Extension to Marston on Dove Cemetery	4,485	5,980	38,449	-32,469

Cultural and Community Services	Head of Cultural & Community Services	Miners Memorial Project, Eureka Park	30,000		23,669	0	23,669
Cultural and Community Services	Head of Cultural & Community Services	Urban Park at William Nadin Way	104,161		103,879	0	103,879
Cultural and Community Services	Head of Cultural & Community Services	Improvements to Swadlincote Woodlands	25,000		21,636	0	21,636
Cultural and Community Services	Head of Cultural & Community Services	Newhall Park Improvements	6,753		6,753	0	6,753
Community Services			447,905		292,984	1,966,427	-1,673,443

Operational Services	Head of Operational Services	Vehicle Replacements	270,694		297,740	229,606	68,134
Property Services	Head of Property Services	Public Building - Repairs & Renewals	273,674		165,298	86,000	79,298
Property Services	Head of Property Services	Repairs to Village Halls & Community Facilities	29,894		29,894	6,700	23,194
Economic Development & Growth	Head of Economic Development & Growth	Civic Hub - Town Centre Regeneration	65,345		13,071	80,000	-66,929
Business Change, Digital & ICT	Head of Business Change, Digital & ICT	IT Strategy	180,000		167,750	160,000	7,750
Economic Development & Growth	Head of Economic Development & Growth	Public Realm Improvements - The Delph	99,131		91,246	0	91,246
Property Services	Head of Property Services	Main Street Albert Village	100,000		0	0	0
Property Services	Head of Property Services	Market Hall	1,350		1,350	0	1,350
Economic Development & Growth	Head of Economic Development & Growth	Shared Prosperity Fund	0		0	0	0
Economic Development & Growth	Head of Economic Development & Growth	Shared Prosperity Fund - Grants	2,871		56,828	0	56,828
Economic Development & Growth	Head of Economic Development & Growth	Shared Prosperity Fund - Business Start Up	0		6,000	0	6,000
Economic Development & Growth	Head of Economic Development & Growth	Rural Economic Prosperity Fund - Community Grants	0		18,965	0	18,965
Economic Development & Growth	Head of Economic Development & Growth	Rural Economic Prosperity Fund - Business Grants	0		16,875	0	16,875
Property Services	Head of Property Services	Demolition of Bank House and Car Park Creation	1,053,603		1,130,559	0	1,130,559
Assets			2,076,562		1,995,577	562,306	1,433,271
GENERAL FUND			4,553,936		4,036,377	5,197,744	-1,161,367
TOTAL CAPITAL EXPENDITURE			7,690,723		7,717,970	7,580,744	137,226

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	Description	Use of Receipt
		£	£	£	£			
2006/0885	Willington and Findern	0	0	0	450	11/10/2023	To enhance open space/recreation facilities in the local area serving the site	To be paid to Derbyshire Wildlife Trust
2006/1453	Swadlincote	365	0	0	0	N/A	Balance for Eureka, provision play area and public open space	Eureka Park Project Planned 24 as part of the levelling fund. Public consultation to be launched shortly
2007/0873	Swadlincote	852	0	0	0	N/A	If need further spend for Cadley Park - provision of open space	Eureka Park Project Planned 24 as part of the levelling fund. Public consultation to be launched shortly
2010/0320	Aston	932	0	0	0	No spend deadline		IH co-ordinating meeting with Aston PC & Weston PC
2011/0292	Willington and Findern	41,007	0	0	0	No spend deadline	Towards Twyford Pavilion	JC Working with Willington PC - towards Tywford Road Pavilion
2011/0952	Newhall and Stanton	15,708	0	0	0	No spend deadline	Included within the "Improvements to play areas" project at Newhall Park - SDDC currently retrieving quotes	Spent at Newhall Park play improvements?
2012/0555	Stenson Road, Derby	168,412	0	0	0	15 year Maintenance period		Commuted sum - ready to be transferred to Culture and Operational Services for maintenance
2012/0568	Aston	74,291	0	0	0	28/02/2024		Allocated to Shardlow VH and is viewed as committed. The project is in progress but is delayed due to change in architect and the need for additional engineering reports to progress

2012/0568	Aston	272,119	0	0	0	02/02/2026		Boulton Moor - The triage - sport pitches allotments & changing rooms - awaiting planning permission
2012/0586	Woodville	11,918	0	0	0	N/A	Towards the provision of Open Space	Woodville PC - recent meeting re play equipment - quotes being sourced - about to submit form to us to claim money
2012/0743	Church Gresley	39,934	152,773	0	0	N/A	Towards Cadley Hill affordable housing	Waiting for SS to approve/ then transfer to be done
2012/0861	Woodville	22,134	0	0	0	No spend deadline	Towards the provision of open space - Including within the "Improvements to play areas" project	Woodville PC - recent meeting re play equipment - quotes being sourced - combine with 2012/0586
2013/0643	Repton	0	497,906	0	0	22/12/2026	Towards Provision, improvement, maintenance, or management of affordable housing within the Repton Ward	affordable housing in Repton - EJ lead.
2013/1044	Hilton	37,725	0	0	0	30/06/2026		IH met with Hilton PC - balance to Village Hall pending community grant application
2014/0222	Newhall and Stanton	5,854				03/04/2023	Provision for open space elsewhere in lieu of provision of play space within the development	Towards Newhall Park Improvements
2014/0232	Aston	7,419	0	0	0	06/04/2024	Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA	Allocated to landscaping at Shardlow VH and is viewed as committed. The project is in progress but is delayed due to change in architect and the need for additional engineering reports to progress
2014/0300	Swadlincote	25,858	0	0	0	20/01/2024	Towards renovation of multi-use games area at Maurice Lea Memorial Park	To be used to help the refurbishments at Maurice Lea Memorial Park
2014/0562	Etwall	18,109	0	0	0	21/10/2031	Towards increasing the capacity of Etwall Leisure Centre	Can only go to Etwall Leisure Centre - £18,108.85
2014/0562	Etwall	45,853	0	0	0	21/10/2031		£45,680.77 towards improvements in outdoor sports - Etwall LC only

2014/0740	Woodville	566,268	0	0	0	31/01/2027		Possible Leisure centre hub - 202,851k build facilities - Woodville Rec ground - balance towards urban sport £363,415 of which £120K for new skatepark at Woodhouse recreation ground.
2014/0888	Newhall and Stanton	570,000	0	0	0	11/07/2026	Towards Oversetts Road Football Facility	Plans for the refurbishment of the recreation ground to go for planning permission shortly
2014/0888	Newhall and Stanton	0	0	0	140,210	17/08/2028	Towards Oversetts Road Football Facility	Plans for the refurbishment of the recreation ground to go for planning permission shortly
2014/0948	Linton	187,415	0	0	0	04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre	Towards the capital improvements at Rosliston Forestry Centre. (see revitalising Rosliston report for detailed spend)
2014/1141	Melbourne	7,644	0	0	0	01/11/2028	Towards Kings Newton Bowls Club	improvements to Bowls club house - IH met with PC and link with Bowls club
2014/1141	Melbourne	7,682	0	0	0	08/02/2029		
2015/0029	Seales	3,182	0	0	0	25/03/2026	Towards the changeroom at Overseal Rec	Plans for the refurbishment of the recreation ground to go for planning permission shortly
2015/0029	Seales	10,491	0	0	0	01/10/2026	Sports pitches and play equipment	
2015/0218	Melbourne	6,336	0	0	0	N/A		Cockshut lane improvements
2015/0218	Melbourne	3,225				N/A		Kings newton bowls club
2015/0396	Newhall and Stanton	6,608	0	0	7,207	04/09/2024	Towards Oversetts Road Football Facility	Plans for the refurbishment of the recreation ground to go for planning permission shortly
2015/0561	Woodville	20,401	0	0	0	12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre	Clause in 106 specific to community centre - IH and Sally still working with PC.
2015/0563	Woodville	5,857	0	0	0	07/02/2024	Towards provision of outdoor sports facilities, open space and build facilities - currently	Application received from the PC for this as matched funding for PC monies,

							in talks with Hartshorne PC	currently pending.
2015/0723	Linton	24,366	0	0	37,339	14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane	Towards the capital improvements at Rosliston Forestry Centre. (see revitalising Rosliston report for detailed spend)
2015/0768	Etwall	61,537	0	0	0	01/11/2029		toward group exercise and swimming at Etwall LC
2015/0768	Etwall	0	0	0	46,250	14/02/2025	Towards Newhouse Farm Community Centre	New Community Centre - will be paying developer once they have planning permission - delays with issues with Spec
2015/0768	Etwall	0	0	0	47,686	28/09/2025	Towards Newhouse Farm Community Centre	New Community Centre - will be paying developer once they have planning permission - delays with issues with Spec
2015/0768	Etwall	0	0	0	94,511	27/07/2026	Towards Newhouse Farm Community Centre	New Community Centre - will be paying developer once they have planning permission - delays with issues with Spec
2015/0768	Etwall	0	1,071,180	0	0	09/08/2026	Towards housing within the Derby fringe	Earmarked for Fisher Close
2015/0768	Etwall	0	1,071,180	0	0	20/10/2025	Towards housing within the Derby fringe	Earmarked for Fisher Close
2015/0768	Etwall	0	1,103,640	0	0	27/07/2026	Towards housing within the Derby fringe	Earmarked for Fisher Close
2015/1108	Hatton	61,071	0	0	262,770	22/10/2026	Towards the enhancement of Scropton Road Recreation Ground	Possible 6 projects - checking out planning on a couple of them.
2015/1108	Hatton	147,639	0	0	0	31/03/2028	the enhancement and maintenance of Jubilee Fields	Possible 6 projects - checking out planning on a couple of them.
2015/1108	Hatton	240,184	0	0	0	23/08/2028	For the enhancement of Scropton Road Recreation Ground	Possible 6 projects - checking out planning on a couple of them.
2016/0094	Midway	3,900	0	0	0	19/10/2025	Towards Eureka Park, Miner's memorial, and Swadlincote Town Hall improvements	dependant on current capital projects
2016/0094	Midway	19,521	0	0	0	19/10/2025	Eureka Park	dependant on current capital projects

2016/0162	Hilton	14,535	0	0	0	28/02/2028	Hilton Village Hall	IH met with Hilton Village Hall w/c 26/06 with SH - balance to Village Hall pending community grant application and further details of project
2016/0162	Hilton	44,439	0	0	0	28/02/2028	Play at Hilton Village Hall Recreation Ground	To be used towards play facilities at Hilton Village Hall recreation ground.
2016/0162	Hilton	26,211	0	0	0	28/02/2028	improving the pitch and outdoor facilities at Mease Playing Fields or contribution towards the bike pump track at Hilton Village Hall Site	Mease Playing Fields
2016/0288	Swadlincote	26,000	0	0	0	28/02/2028	Towards improving play or sports facilities at Swadlincote Woodlands	To support the capital improvements at Swadlincote Woodlands
2016/0329	Woodville	28,960	0	0	0	02/07/2025	£5.5k towards improvements of the pavilion at Woodville Rec, £14k towards grass pitches at Woodville Rec, £9.3k towards Footpath connections at Woodville Woodlands - Including within the "Improvements to play areas" project	Woodville Pc - Pavilion £5.5k and £4.6 footpaths, £18.7 pitches at rec ground - met a few weeks ago
2016/0870	Aston	4,775	0	0	0	26/06/2024		Application to allocate funds has been received by Aston PC – being reviewed.
2016/0870	Aston	4,885	0	0	0	21/11/2024		Met with PC and RIA to look at project at the recreation site
2016/1118	Repton	4,822	0	0	0	02/03/2026	£22.3k towards improvements to Broomfields Playing Fields	no plans as yet
2016/1118	Repton	17,490	0	0	0	13/07/2026		
2017/0194	Repton	36,773	0	0	0	15/06/2026	£36.7k towards improvements & recreational facilities at Broomfields Playing Fields	No plans yet
2017/0349	Etwall	75,648	0	0	0	28/09/2025	£75k Potentially towards a sporting hub - discussions ongoing	Pending Sporting hub
2017/0349	Etwall	0	1,549,378	0	0	23/12/2026	Affordable housing within the administrative area of the Council (North West fringe)	Earmarked for Fisher Close

2017/0416	Church Gresley	13,979	0	0	0	N/A	£13k towards play equipment at Maurice Lea Memorial Park	Public consultation on play area improvements to be launched shortly to add to capital bid
2017/0416	Church Gresley	7,000	0	0	0	N/A	£7k towards Woodhouse Recreation Ground	To be used for Skatepark improvement
2017/0416	Church Gresley	4,000	0	0	0	N/A	£4k towards Greenbank Leisure Centre	no plans yet
2017/0667	Newhall and Stanton	0	0	0	43,108	02/02/2026	£42k towards works to swimming pool at Green Bank	Pending Sporting hub
2017/0915	Linton	4,364	0	0	0	N/A	Open Space Contribution	Towards 4 benches at Arthur Street, Castle Gresley
2017/0922	Deep Dale Lane	0	1,064,953	0	0	02/02/2028	Community Facilities, Outdoor Sports, Affordable Housing Contributions	Earmarked for Fisher Close
2017/0922	Deep Dale Lane	77,034	0	0	0	02/02/2033		Planning application in for IGV
2017/0922	Deep Dale Lane	0	0	0	41,575	02/02/2033		Community facilities on garden village - waiting for planning app
2017/1293	Hilton	0	203,817	0	0	04/10/2024		no plan yet
2017/1293	Hilton	23,359	0	0	0	04/10/2024		£23.3 Hilton Village Hall lan , £41.8 to football club - Lee English - met a few days ago
2017/1293	Hilton	1,132	0	0	0	04/10/2024	Towards the provision of native hedgerow planting as mitigation for the loss of hedgerow to be caused as a result of the Development	£1.2k biodiversity Gareth price - Hedgerow
2017/1293	Hilton	41,848	0	0	0	04/10/2024	to be used towards carrying out improvements to the playing pitches and associated facilities at The Mease (Hilton Harriers Football Club) including, without limitation, the costs of any land acquisition required	Lee English - met a few days ago
2018/0709	Hartshorne	13,875	0	0	0	20/07/2028	Outdoor sports/Built Facilities	£11.8k Outdoor sports, £6.5k Goseley Sports - IH in talks
2018/0114	Swadlincote	4,824	0	0	0	31/03/2028		Refurb swimming pool GBLC £2.7k

2018/0265	Linton	4,882	0	0	0	04/02/2027	Built facilities	Improve Rosliston Village Hall - IH to speak with Ros PC
2018/0377	Woodville	3,475	0	0	0	16/03/2026	Towards Goseley Community Centre	no plans yet
2019/1183	Swadlincote	14,208	0	0	0	N/A	Towards the CCG and improvements at Swadlincote Surgery	no plans yet - but in talks
2019/1205	Hilton	7,776	0	0	4,522	N/A	Towards enhancing and managing biodiversity	no plans yet - but working with PC
2020/1460	Drakelow	430,211	0	0	0	13/07/2033	Built facilities	Provision Built facilities with SDDC
2021/1686	Tetron Point, William Nadin Way	25,187	0	0	0	11/10/2027	Towards Drainage Contribution	no plans yet
2021/1686	Tetron Point, William Nadin Way	0	0	0	30,224	11/10/2027	Transport works	To be paid to DCC
TOTAL AVAILABLE		3,703,509	6,714,827	0	755,853	11,174,190		

Earmarked Reserve Balances as at 31 March 2024

APPENDIX 4

Description	Value
Homelessness Prevention	-918,646
Schools Sport Partnership Project	-413,965
GENERAL FUND IT RESERVE	-718,006
REVENUE COMMITTED EXPENDITURE RESERVE	-256,193
Rosliston Forestry Centre Café	-70,576
Rosliston Capital Reserve	-217,444
Planning staffing and support costs	-120,820
Pensions reserve	-352,482
Corporate Training	-70,143
Welfare Reform, Fraud & Compliance	-374,558
HRA Asset Replacement	-199,722
Public Buildings Maintenance	-153,949
Planning 20% fee increase	-148,798
Cultural Services Public Open Spaces	-139,987
Operational Services Public Open Spaces	-184,173
HRA ICT Mobile Working	-63,624
Finance staffing and resource costs	-90,000
S106 Planning Policy Fee	-22,100
Council Tax Support Scheme - Hardship Fund	-34,776
Biodiversity Enhancements - Swadlincote - Woodville regeneration route	-142,770
Flooding - Community Recovery Fund	-84,301
Economic Regeneration Fund	-46,609
Land Charges Software Support	-115,000
Asset Replacement and Renewal Fund	-220,867
Risk Management Fund	-12,000
Urban County Park	-449,852
Discretionary Housing Payments	-5,061
LOCAL STRATEGIC PARTNERSHIP RESERVE	-11,048
CRIME AND DISORDER PARTNERSHIP	-306,166
YOUNG PEOPLES CULTURAL PARTNERSHIP	-7,306
YOUTH ENGAGEMENT PARTNERSHIP	-569,570
GET ACTIVE IN THE FOREST PARTNERSHIP	-125,529
MAURICE LEA PARK NHLF GRANTR	-23,012
Planning Review	-52,452
Leisure Centre/Civic Offices Project	-250,000
Fleet Replacement	-2,536,079
Whitespace	-160,000
Land Registry	-13,709
Town Centre Shop Fronts	-55,169
Green Space Strategy	-16,071
Growth Reserve	-950,563
Capability Reserve	-66,000
Geothermal Opportunity Mapping	-23,988
Mine Water Heating Prospects	-18,356
Procurement Manager	-36,702
SHDF Revenue Contribution	-37,466
Asbestos & Stock Condition Surveys	-50,000
Page 234 of 275	-10,935,608

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 14
DATE OF MEETING:	20 JUNE 2024	CATEGORY: RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS’ CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC: S:\Finance\COMMITTEE\2023-24\JUNE\TM Reports
SUBJECT:	TREASURY MANAGEMENT ANNUAL REPORT 2023/24	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the final outturn in respect of Treasury Management (**Appendix 1**), Prudential Indicators and Limits (**Appendix 2**) and Counterparty List for investments and bank deposits (**Appendix 3**) are noted.

2.0 Purpose of the Report

- 2.1 To provide a final outturn on the Council’s treasury management activities for 2023/24.
- 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 2021)



**South
Derbyshire
District Council**

Treasury Management Report Q4 2023/24

Introduction

The Council 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 Council to approve treasury management semi-annual and annual outturn reports.

This report includes the requirement in the 2021 Code, mandatory from 1st April 2023, of reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in a separate report.

The Council's treasury management strategy for 2023/24 was approved at a meeting on 22nd February 2023. The Council 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 remains central to the Council's treasury management strategy.

External Context

Economic background: UK inflation continued to decline from the 8.7% rate seen at the start of 2023/24. By the last quarter of the financial year headline consumer price inflation (CPI) had fallen to 3.4% in February but was still above the Bank of England's 2% target at the end of the period. The core measure of CPI, i.e. excluding food and energy, also slowed in February to 4.5% from 5.1% in January, a rate that had stubbornly persisted for three consecutive months.

The UK economy entered a technical recession in the second half of 2023, as growth rates of -0.1% and -0.3% respectively were recorded for Q3 and Q4. Over the 2023 calendar year GDP growth only expanded by 0.1% compared to 2022. Of the recent monthly data, the Office for National Statistics reported a rebound in activity with economy expanding 0.2% in January 2024. While the economy may somewhat recover in Q1 2024, the data suggests that prior increases in interest rates and higher price levels are depressing growth, which will continue to bear down on inflation throughout 2024.

Labour market data provided a mixed message for policymakers. Employment and vacancies declined, and unemployment rose to 4.3% (3mth/year) in July 2023. The same month saw the highest annual growth rate of 8.5% for total pay (i.e. including bonuses) and 7.8% for regular pay growth (i.e. excluding bonuses). Thereafter, unemployment began to decline, falling to 3.9% (3mth/year) in January and pay growth also edged lower to 5.6% for total pay and 6.1% for regular pay, but remained above the Bank of England's forecast.

Having begun the financial year at 4.25%, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 5.25% in August 2023 with a 3-way split in the Committee's voting as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. Bank Rate was maintained at 5.25% through to March 2024. The vote at the March was 8-1 in favour of maintaining rates at this level, with the single dissenter preferring to cut rates immediately by 0.25%. Although financial markets shifted their interest rate expectations downwards with expectations of a cut in June, the MPC's focus remained on assessing how long interest rates would need to be restrictive in order to control inflation over the medium term.

In the Bank's quarterly Monetary Policy Report (MPR) released in August 2023 the near-term projection for services price inflation was revised upwards, goods price inflation widespread across products, indicating stronger domestic inflationary pressure with second-round effects in domestic prices and wages likely taking longer to unwind than they did to emerge. In the February 2024 MPR the Bank's expectations for the UK economy were positive for the first half of 2024, with a recovery from the mild recession in calendar H2 2023 being gradual. Headline CPI was forecast to dip below the 2% target quicker than previously thought due to declining energy prices, these effects would hold inflation slightly above target for much of the forecast horizon.

Following this MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% remains the peak in Bank Rate and that interest rates will most likely start to be cut later in H2 2024. The risks in the short-term are deemed to be to the downside as a rate cut may come sooner than expected, but then more broadly balanced over the medium term.

The US Federal Reserve also pushed up rates over the period, reaching a peak range of between 5.25-5.50% in August 2023, where it has stayed since. US policymakers have maintained the relatively dovish stance from the December FOMC meeting and at the meeting in March, economic projections pointed to interest rates being cut by a total of 0.75% in 2024.

Following a similarly sharp upward trajectory, the European Central Bank hiked rates to historically high levels over period, pushing its main refinancing rate to 4.5% in September 2023, where it has remained. Economic growth in the region remains weak, with a potential recession on the cards, but inflation remains sticky and above the ECB's target, putting pressure on policymakers on how to balance these factors.

Financial markets: Sentiment in financial markets remained uncertain and bond yields continued to be volatile over the year. During the first half of the year, yields rose as interest rates continued to be pushed up in response to rising inflation. From October they started declining again before falling sharply in December as falling inflation and dovish central bank attitudes caused financial markets to expect cuts in interest rates in 2024. When it emerged in January that inflation was stickier than expected and the BoE and the Federal Reserve were data dependent and not inclined to cut rates soon, yields rose once again, ending the period some 50+ bps higher than when it started.

Over the financial year, the 10-year UK benchmark gilt yield rose from 3.44% to peak at 4.75% in August, before then dropping to 3.44% in late December 2023 and rising again to 3.92% (28th March 2024). The Sterling Overnight Rate (SONIA) averaged 4.96% over the period to 31st March.

Credit review: In response to an improving outlook for credit markets, in January 2024 Arlingclose moved away from its previous temporary stance of a 35-day maximum duration and increased its advised recommended maximum unsecured duration limit on all banks on its counterparty list to 100 days.

Earlier in the period, S&P revised the UK sovereign outlook to stable and upgraded Barclays Bank to A+. Moody's also revised the UK outlook to stable, Handelsbanken's outlook to negative, downgraded five local authorities, and affirmed HSBC's outlook at stable while upgrading its Baseline Credit Assessment. Fitch revised UOB's and BMO's outlooks to stable.

In the final quarter of the financial year, Fitch revised the outlook on the UK sovereign rating to stable from negative based on their assessment that the risks to the UK's public finances had decreased since its previous review in October 2022, the time of the mini- budget.

Moody's, meanwhile, upgraded the long-term ratings of German lenders Helaba, Bayern LB and LBBW on better solvency and capital positions, despite challenges from a slowing German economy and exposure to the commercial real estate sector. Moody's also upgraded or placed on review for an upgrade, Australian banks including ANZ, CBA NAB and Westpac on the back of the introduction of a new bank resolution regime.

Credit default swap prices began the financial year at elevated levels following the fallout from Silicon Valley Bank and collapse/takeover of other lenders. From then the general trend was one of falling prices and UK lenders' CDS ended the period at similar levels to those seen in early 2023. Earlier in the year some Canadian lenders saw their CDS prices rise due to concerns over a slowing domestic economy and housing market, while some German lenders were impacted by similar economic concerns and exposure to commercial real estate towards the end of the period, with LBBW remaining the most elevated.

Heightened market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

Local Context

On 31st March 2024, the Council had net investments of £16.092m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in the table below.

Balance Sheet Summary

	31.3.23 Actual £'000	31.3.24 Actual £'000
General Fund CFR	6,860	6,607
HRA CFR	51,584	41,584
Total CFR	58,444	48,191
External borrowing	47,512	37,512
Internal borrowing	10,932	10,679
Less: Balance sheet resources	(76,438)	(64,283)
Net (investments)	(65,506)	(53,604)

The treasury management position at 31st March 2024 and the change over the year is shown in the table below.

Treasury Management Summary

	31.03.23 Balance £'000	Movement £m	31.03.24 Balance £'000	Average Rate %
Long-term borrowing:				
Fixed	47,423	(10,000)	37,423	3.31%
Variable	0	0	0	0.00%
Short-term borrowing	89	0	89	4.25%
Total borrowing	47,512	(10,000)	37,512	
Long-term investments	3,572	(138)	3,434	5.25%
Short-term investments	58,000	(12,500)	45,500	5.35%
Cash and cash equivalents	3,934	736	4,670	2.28%
Total investments	65,506	(11,902)	53,604	
Net investments	17,994	(1,902)	16,092	

Borrowing

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in future.

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Council'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 Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Interest rates have seen substantial rises over the last two years, although these rises have now begun to plateau. Gilt yields fell in late 2023, reaching April 2023 lows in December 2023 before rebounding to an extent in the first three months of 2024. Gilt yields have remained volatile, seeing upward pressure from perceived sticker inflation at times and downward pressure from falling inflation and a struggling economy at other times.

On 31st December, the PWLB certainty rates for maturity loans were 4.74% for 10-year loans, 5.18% for 20-year loans and 5.01% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

The cost of short term borrowing from other local authorities has generally risen with Base Rate over the year. Interest rates peaked at around 7% towards the later part of March 2024 as many authorities required cash at the same time. These rates are expected to fall back to more normal market levels in April 2024.

A new PWLB HRA borrowing rate which is 0.4% below the certainty rate was made available from 15th June 2023. This rate will now be available until to June 2025. The discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans.

At 31st March 2024 the Council held £37.5m of loans, a decrease of £10m from 31st March 2023 due to the second instalment payment of the principle amount. These loans were taken out by the Council in 2011/12 for the purpose of HRA self-financing. The principal element of these loans is repayable in full on maturity, with interest being paid each March and September.

The short-term borrowing of £89k relates to deposits received from two Parish Councils within the District. These loans can be recalled on immediate notice. Interest is calculated at the Bank of England Base Rate, less 1%. Interest will be payable half yearly after the 30th September and the second after 31st March.

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	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	2036/72
Public Works Loan Board	Fixed	7,423	3.50	2041/42
Total Long-term borrowing		37,423		
Short-term Parish Council Loans		89	4.25	
Total borrowing		37,512		

The Council'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 Council's long-term plans change being a secondary objective.

Treasury Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Council's cash flows or treasury risk management

activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £49.5m and £78.5m million due to timing differences between income and expenditure. The investment position is shown in the table below.

Treasury Investment Position

	31.03.23 Balance £'000	Q4 2024 Movement £'000	31.03.24 Balance £'000	31.03.24 Rate of Return %
Banks (unsecured)	3,934	736	4,670	2.28%
Local Authorities	42,000	(12,500)	29,500	5.36%
Money Market Funds	16,000	0	16,000	5.33%
CCLA Property Fund (Fair value)	3,572	(138)	3,434	5.25%
Total investments	65,506	(11,902)	53,604	

The main reason for the reduction to investments is primarily linked to the loan repayment of £10m on 31st March 2024.

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

As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

Bank Rate increased by 1% over the period, from 4.25% at the beginning of April 2023 to 5.25% by the end March 2024. Short term rates peaked at 5.7% for 3-month rates and 6.7% for 12-month rates during the period, although these rates subsequently began to decline towards the end of the period. Money Market Rates also rose and were between 5.26% and 5.38% by the end of March 2024.

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

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

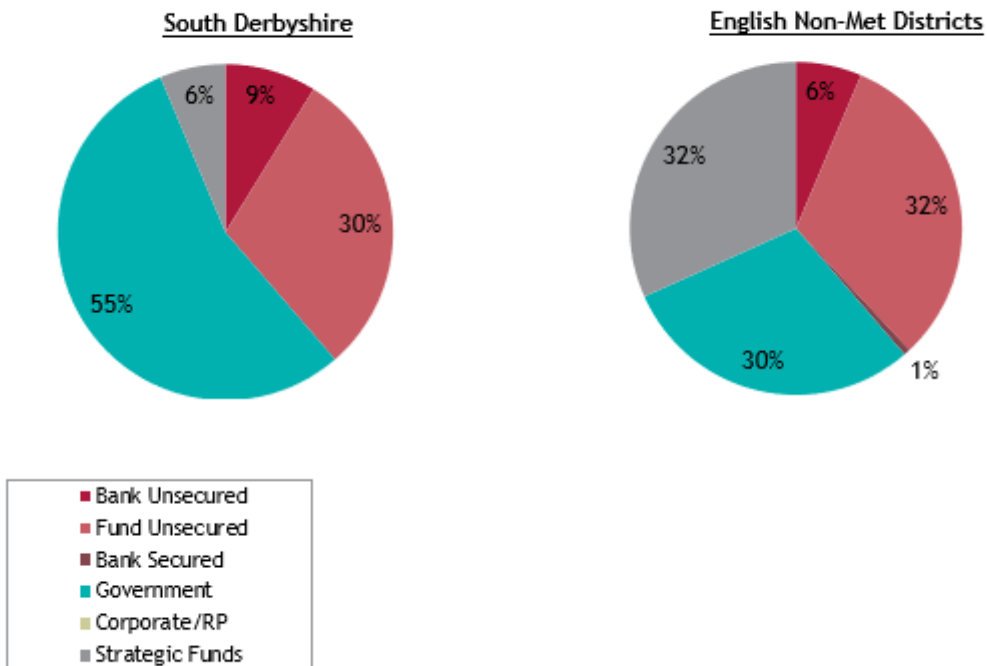
	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2023	4.93	A+	32%	72	2.06
31.03.2024	4.85	A+	41%	75	4.67
Similar LAs	4.90	A+	61%	50	5.20
All LAs	4.82	A+	61%	9	5.03

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.



This chart illustrates the type of investment funds held by the Council in comparison to other similar Local Authorities, this shows in greater detail, the comparisons in the bail in exposure and rate of return, on the above security benchmark table. The unsecured funds held by other Local Authorities is a slightly higher percentage of their investment portfolio, which will offer them a higher rate of return, however the bail in exposure risk to funds is 61% of their total portfolio. The Council have invested their funds in much safer secured investments (Government) which my produce a smaller yield but the risk to Council funds is lower at 41%.

Externally Managed Pooled Funds

£4m of the Council’s investments is invested in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an £178k (5.25%) income return which is used to support services in year, and £138k (4.06%) of unrealised capital loss.

The market background for commercial property improved marginally in 2023 and was more stable, in contrast to the very challenging backdrop of 2022. Low transactional volumes were a constraint on valuations and made prospective sellers and buyers more cautious. Although many sectors lacked momentum, there was growing confidence in the longer-term outlook as occupier demand and rental markets held up. Industrial and retail warehousing sectors remained strong, but the retail and offices sectors remained weak, the latter continuing to be hindered by low occupancy from hybrid working practices.

Income returns remained broadly consistent. The Council has budgeted £136,000 income from these investments in 2023/24. Income received up to 31st March 2024 was £133,017, whist a further £45,019 has been declared and is due to be paid by April.

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

Statutory override: In April 2023 the Department for Levelling Up, Housing and Communities (DLUHC) published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended until 31st March 2025, but no other changes have been made; whether the override will be extended beyond this date is unknown but commentary to the consultation outcome suggests it will not. The Authority will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken.

CCLA Property Fund Performance

		2022/23	2023/24
		Q4	Q4
Dividend Received	£	38,409	45,019

Annual Equivalent Interest Rate	%	4.35%	5.31%
Bid (Selling) Price	pence/unit	283.80	272.73

The mid-market value of the fund as at the 31st March 2024 is £3,447,739 and the bid market value is £3,394,299. The quarters market and bid values have decreased from March 23 by 3.90%. This reinforces the notion that the Fund should only be considered for long-term investments.

The Council's investment in the CCLA fund remained stable throughout 23/24 with performance continuing to yield positive dividends.

Non-Treasury Investments

The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by DLUHC and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

The Council held £8.87m of investments made for commercial purposes. This consisted entirely of directly owned property and land. A full list of the Council's non-treasury investments is available in the Investment Strategy document.

These investments generated 0.675m of investment income for the Council after taking account of direct costs of £0.097m.

All commercial investments are located within the district.

Performance

Average 7-Day Money Market Rate

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

	As at 31.03.23	As at 31.03.24
Average 7-Day Money Market Rate (Target)	3.89%	5.24%
Average Interest Rate Achieved on Short Term Deposits	3.43%	5.35%

Cost of Debt

This indicator shows how much the costs of borrowing impact upon each household (at Band D Council Tax rate) in the District. The impact on Council Tax is positive as the General Fund

has no actual debt. The performance for the first quarter is shown below using the current interest received and the estimated annual interest based on current returns. This is compared to the actual annual interest received last year.

General Fund Impact per Council Tax Payer	Actual 31.03.2023	Actual 31.03.2024
	£	£
Net Interest Received - General Fund	-£751,544	-£1,900,080
Band D Properties	36,702	37,663
Cost per Band D Property	-£20.48	-£50.45

The cost of debt on each council tenant (HRA) is shown below. The performance for the first quarter is the actual costs compared to the estimated costs for the year.

HRA Debt Interest per Dwelling	31.03.2023 Actual	31.03.2024 Actual
HRA Interest Payable	1,504,805	1,504,805
Dwellings	2,945	2,947
Annual Cost per Dwelling	£510.96	£510.62

Consultations

In December DLUHC published two consultations: a “final” consultation on proposed changes to regulations and statutory guidance on MRP closing on 16th February 2024 and a “call for views” on capital measures to improve sector stability and efficiency closing on 31st January 2024.

Draft regulations and draft statutory guidance are included in the MRP consultation. The proposals remain broadly the same as those in June 2022 – to limit the scope for authorities to (a) make no MRP on parts of the capital financing requirement (CFR) and (b) to use capital receipts in lieu of a revenue charge for MRP.

In its call for views on capital measures, government wishes to engage with councils to identify and develop options for the use of capital resources and borrowing to support and encourage ‘invest-to-save’ activity and to manage budget pressures without seeking exceptional financial support. Whilst Government has identified some options including allowing authorities to capitalise general cost pressures and meet these with capital receipts, there is no commitment to take any of the options forward.

The Council will not look to take these options forward as there is no requirement to do so.

Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy.

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

Investment limits

Sector	Maximum Investment Q4 2024	Counterparty Limit	Time Limit	Sector Limit	Complied
The UK Government	£22.5m	£25m	364 days	n/a	✓
Local authorities & other government entities	£37m	£5m	364 days	Unlimited	✓
Banks (unsecured)*	£2.8m	£3m	35 days	Unlimited	✓
Building societies (unsecured)*	£2m	£2m	35 days	£5m	✓
Money Market Funds*	£16m	£2m	60 days	£16m	✓
Strategic Pooled Funds	£4m	£4m	n/a	£4m	✓
Other Investments*	0	£1m	35 days	Unlimited	✓

Treasury Management Prudential Indicators

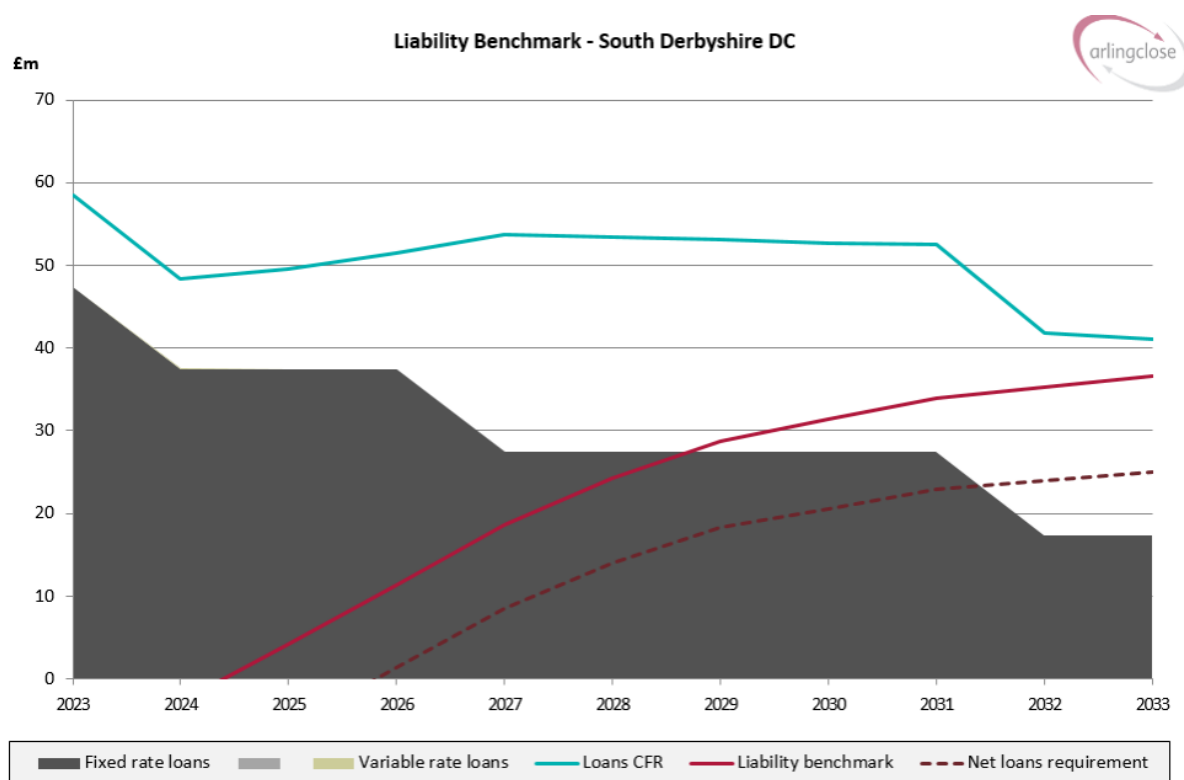
As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

Liability Benchmark:

This new indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

	31.3.23 Actual	31.3.24 Actual	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	58,444	48,191	49,493	51,532
Less: Balance sheet resources	(76,438)	(64,283)	(55,373)	(50,186)
Net loan requirement	(17,994)	(16,092)	(5,880)	1,346
Plus: Liquidity allowance	10,000	10,000	10,000	10,000
Liability benchmark	(7,994)	(6,092)	4,120	11,346
Existing borrowing	47,423	37,423	37,423	37,423

Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing per the capital programme, minimum revenue provision on new capital expenditure based on the useful life of the asset and reserves continue to reduce year on year to fund future year expenditure.



The above graph shows that actual borrowing decreases over time as debt is repaid. The liability benchmark increases due to planned capital expenditure and utilisation of reserves. This graph demonstrates that the Council may need to borrow in the medium term.

Maturity Structure of Borrowing:

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	31.03.2024 Actual	Complied?
Under 12 months	70%	0%	0%	✓

12 months and within 24 months	30%	0%	0%	✓
24 months and within 5 years	30%	0%	27%	✓
5 years and within 10 years	30%	0%	27%	✓
10 years and above	90%	0%	46%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments:

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£0m	£0m	£0m	£4m
Actual principal invested beyond year end	£0m	£0m	£0m	£4m
Complied?	✓	✓	✓	✓

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Interest Rate Exposures:

This indicator is set to control the Council's exposure to interest rate risk. Bank Rate rose by 1.25% from 4.25% on 1st April to 5.25% by 31st December.

For context, the changes in interest rates during the quarter were:

	31/3/23	31/3/24
Bank Rate	4.25%	5.25%
1-year PWLB certainty rate, maturity loans	4.78%	5.36%
5-year PWLB certainty rate, maturity loans	4.31%	4.68%
10-year PWLB certainty rate, maturity loans	4.33%	4.74%
20-year PWLB certainty rate, maturity loans	4.70%	5.18%
50-year PWLB certainty rate, maturity loans	4.41%	5.01%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.



**South
Derbyshire
District Council**

Prudential Indicators 2023/24

March 2024

Introduction

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

The Authority measures and manages its capital expenditure, borrowing and commercial and service investments (where applicable) with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Estimated Capital Expenditure and Financing

The Authority has undertaken and is planning capital expenditure as summarised below.

Estimated Capital Expenditure £	Actual 2022/23	Actual 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28
General Fund	4,013,345	4,036,377	6,685,387	3,817,000	2,880,000	747,500
HRA	2,456,166	3,681,594	3,119,676	3,500,000	4,630,000	4,200,000
Total	6,469,511	7,717,971	9,805,063	7,317,000	7,510,000	4,947,500
Financed by £	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Grants and Contribution	2,914,945	2,967,020	2,348,000	820,000	400,000	400,000
Council Resources	3,554,566	4,750,951	7,457,063	6,497,000	7,110,000	4,547,500
Total	6,469,511	7,717,971	9,805,063	7,317,000	7,510,000	4,947,500

There have been significant changes to the forecasts than those approved in the Capital Strategy for 2023/24 due to additional capital bids that were put forward as part of the budget round for 2024/25. 8 new projects have also been added to the rolling 5-year programme and an updated fleet replacement programme has also been included.

The main General Fund capital project to date includes revitalising Rosliston Forestry Centre (£832K total project funding), which is still an ongoing project from the 2020 capital bidding round. Delays to this project have been due to public consultations, however it is expected that this project will complete in the new financial year.

The general upward trend of the HRA expenditure relates to the increased level of investment needed for the upkeep of Council houses to ensure that they are compliant with regulations. The major repairs have a five-year plan for improving Council properties to decent homes standard.

Overall, the capital expenditure programme is financed from Government grants, external contributions, Council reserves (including internal borrowing) and capital receipts.

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

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

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

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt.

Expected CFR	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
CFR b/fwd	58,639	58,444	48,191	49,278	51,317	53,491
Add New Financing	0	0	1127	2095	2440	252
Capital Adjustments	0	-64	0	0	0	0
Less MRP	-175	-168	-40	-56	-266	-523
Less VRP	-21	-21	0	0	0	0
Less Debt Repayment	0	-10000	0	0	0	0
CFR c/fwd	58,444	48,191	49,278	51,317	53,491	53,220
General Fund Proportion	6,860	6,607	7,694	9,733	11,466	11,249
HRA Proportion	51,584	41,584	41,584	41,584	42,025	41,971
Total	58,444	48,191	49,278	51,317	53,491	53,220

The VRP has reduced to zero due to the repayment of previous internal borrowing schemes relating to the purchase of receptacles to extend the kerbside recycling scheme in 2013, together with the repayment of the internal borrowing for the Grove Hall Extreme Sports projects.

There have been significant changes to the forecasts than those approved in the Capital Strategy for 2023/24 due to additional internal borrowing required to fund the capital programme resulting from additional capital bids in the 2024/25 budget round. There has also been a change to the 2022/23 actual CFR resulting from the CFR review conducted by Arlingclose.

Debt Pools

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

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

There is no requirement to make a MRP or VRP in the Housing Revenue Account. The HRA has debt outstanding of just over £47m. This represents the debt inherited under the self-financing framework for Council Housing.

Although no MRP is required for the HRA, money is being set-aside to repay the HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan. The expected CFRs over the current financial planning period to 2027/28 are detailed in the following table.

Expected CFR	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Proportion	6,860	6,607	7,694	9,733	11,466	11,249

HRA Proportion	51,584	41,584	41,584	41,584	42,025	41,971
Total	58,444	48,191	49,278	51,317	53,491	53,220

The CFR on the General Fund will increase over the medium-term due to the Council's proposed capital programme. The MRP being applied are included in the Council's base budget.

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

The larger CFR on the HRA has remained static in previous years, the first and second repayment of £10m self-financing loans was paid in March 2022 and March 2027, with another repayment in March 27. However, given the level of investment required in the Council's houses, MRP will not be applied in March 27, but instead deferred to a later date. The CFR will then increase in 2026/27 due to the fleet replacement programme.

Limits to Borrowing Activity

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

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

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

Estimated Borrowing Compared to the CFR	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Gross Borrowing - HRA	47,423	37,423	37,423	37,423	27,423	27,423
Gross Borrowing - General Fund	0	0	0	0	0	0
Total Gross Borrowing	47,423	37,423	37,423	37,423	27,423	27,423
Total CFR	58,444	48,191	49,279	51,317	53,491	53,220

The Authorised Limit for External Debt

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

The Operational Boundary for External Debt

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

The Limit and Boundary are summarised in the following table.

Debt Limits	Actual 2022/23 £'000	Actual 2023/24 £'000	Forecast 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000
Authorised Limit - General Fund	6,860	6,607	7,694	9,733	11,466	11,249

Authorised Limit - HRA	51,584	41,584	41,584	41,584	42,025	41,971
Operational Boundary	52,423	42,423	42,423	42,423	32,423	32,423

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

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

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Cost of Debt to Finance Capital Expenditure

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

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

Cost of Servicing Debt	Actual 2022/23 £	Actual 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Forecast 2026/27 £	Forecast 2027/28 £
Estimated Net Interest Received - General Fund	-751,544	-1,900,925	-846,658	-423,329	-419,096	-414,905
Estimated Band D Properties (per MTFP)	36,702	37,663	38,809	39,585	40,377	41,184
Cost per Band D Property	-£20.48	-£50.47	-£21.82	-£10.69	-£10.38	-£10.07
Estimated Net Interest Payable - HRA	1,117,245	201,899	798,648	798,648	798,648	497,648
Estimated Dwellings (per MTFP)	2,945	2,947	2,909	2,891	2,873	2,855
Annual Cost per Dwelling	£379.37	£68.51	£274.54	£276.25	£277.98	£174.31

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

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

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

Estimated Usable Reserves	Actual 2022/23 £'000	Actual 2023/24 £'000	Forecast 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000
General Fund (inc Earmarked)	42,557	29,271	24,003	20,987	17,267	12,465
Capital Receipts and Grants (GF)	3,732	17,100	9,831	8,925	6,041	3,350
HRA Reserves	4,609	3,608	2,448	2,835	3,206	4,004

Capital Receipts and Grants (HRA)	9,227	4,224	4,836	5,448	6,060	6,672
Major Repairs Reserve	4,987	3,889	4,389	4,889	5,389	5,889
Total Reserves	65,112	58,092	45,507	43,084	37,963	32,380

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

Section 106 contributions were reallocated from Earmarked Reserves to Capital Grants Unapplied during 2023/24, following identification of a misclassification. The reclassification as Capital Grants Unapplied reflects the nature of the funding and the classification of its usage in the Financial Statements. The movement does not affect the overall useable reserve balances.

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

Proportion of Financing Costs to Net Revenue Stream

This indicator shows the trend in the net cost of borrowing (allowing for investment income) against the net revenue stream, i.e. Council Tax for the General Fund and Rent Income for the HRA. Estimates are included in the Council's Medium Term Financial Plan (MTFP) and are shown in the following table.

Financing Ratios	Actual 2022/23 £	Actual 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Forecast 2026/27 £	Forecast 2027/28 £
General Fund						
Estimated Council Tax Income	6,346,143	6,577,466	6,980,186	7,311,082	7,710,229	8,104,811
Net Interest Receivable	-751,544	-1,900,925	-846,658	-423,329	-419,096	-414,905
Proportion	-11.84%	-28.90%	-12.13%	-5.79%	-5.44%	-5.12%
HRA						
Estimated Rental Income	12,381,712	12,978,790	14,304,000	14,589,000	14,880,000	15,176,000
Estimated Interest Payable	1,504,805	1,504,805	1,234,805	1,234,805	1,234,805	933,805
Proportion	12.15%	11.59%	8.63%	8.46%	8.30%	6.15%

With no debt on the General Fund, the indicator is negative. The ratio reflects the level of "gearing" - how much of the Council's revenue is tied up in borrowing costs. Although the proportion for the HRA is greater in percentage terms, this is a relatively fixed cost but affordable within the HRA's Financial Plan.

Treasury Management Indicators: These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments, and Interest Rate Exposure) are within the Treasury Management Report Q4 2023/24.

**COUNTERPARTY LIST 2023/24
(as at March 2024)**

Treasury investment counterparties and limits

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

This table must be read in conjunction with the notes below

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

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £5m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

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

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

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

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

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

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

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 16
DATE OF MEETING:	20 JUNE 2024	CATEGORY: RECOMMENDED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS’ CONTACT POINT:	CHARLOTTE JACKSON charlotte.jackson@south-derbyshire.gov.uk	DOC:
SUBJECT:	PRODUCTIVITY PLAN	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM13

1.0 Recommendations

1.1 That the Committee approve the draft Productivity Plan and delegate approval to the Executive Director – Resources and Transformation to make any final amendments in consultation with the Finance and Management Committee Chair.

2.0 Purpose of Report

2.1 To set out the Productivity Plan for South Derbyshire District Council, as required by the Office for Local Government (OFLOG).

3.0 Detail

Background

3.1 As part of the 2024/25 Final Local Government Finance Settlement, the Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations, Michael Gove MP, set out that the ask of local authorities to develop and share productivity plans. The Minister’s statement said that authorities were to set out how they would improve service performance and reduce wasteful expenditure, for example on consultants or discredited equality, diversity and inclusion programmes. He also said that Government will monitor these plans, and funding settlements in future will be informed by performance against these plans.

3.2 In April 2024 the Council received a letter from the Minister for Local Government setting out the requirement for the Council to submit a Productivity Plan by 19 July 2024 once Members have “endorsed” the plan. The key message from the Minister is included below:

“Productivity is not one-dimensional, and I would encourage you to consider the various facets that encompass the drive for greater productivity....I am not looking to impose excessive burdens. I am not issuing you with a formal template or a detailed list of criteria to meet. I expect your plans to be three or four pages in

length, and to set out what you have done in recent years, alongside your current plans, to transform your organisation and services. I do not want to specify a list of metrics you must report, but I do want to understand how you will monitor and assess your plans to assure yourselves and your residents that they will be delivered.”

3.7 The Government has highlighted that Productivity Plans should cover the way in which organisations will:

- Transform the way services are designed and delivered;
- Taking advantage of technology and using data to make better decisions;
- Plan to reduce wasteful spend within the organisation and its systems; and

3.8 It is also requested that organisations to advise Government of the barriers preventing progress and what they can do to unblock these.

3.9 The draft South Derbyshire District Council Productivity Plan is at Appendix A.

3.10 The draft plan sets out the achievements of the Council in transforming services, making the best use of technology and data and reducing wasteful spend, and, work currently underway and the Council's future plans in these areas.

3.11 The draft plan also lists several asks of Government to remove the barriers to preventing progress. This section remains incomplete, and will be finalised by the Executive Director – Resources and Transformation in consultation with the Finance and Management Committee Chair. It is intended that this area will include messages around barriers preventing progress which are common to local and national peers.

4.0 Financial Implications

4.1 Delivery of the Council's Productivity Plan, via the Sustainable Finance Plan, is targeted to deliver £11 million of savings to 2029.

4.2 It has cost the Council circa £2,500 in senior officer time to produce this Productivity Plan.

4.3 There are no other financial implications arising directly from this report.

5.0 Corporate Implications

Employment Implications

5.1 There are no direct employment implications arising from this report.

Legal Implications

5.2 There are no direct legal implications arising from this report.

Corporate Plan Implications

5.3 Transformation forms a key priority of the Council Plan 2024-2028. Delivery of effective services is essential to delivery of the Council Plan and the financial sustainability of the Council. [Page 260 of 275](#)

Risk Impact

- 5.4 Failure to deliver the Productivity Plan will impact on the quality of provision of services. Failure to deliver savings over the medium term will impact on the financial sustainability of the Council.

6.0 Community Impact

Consultation

- 6.1 None.

Equality and Diversity Impact

- 6.2 There are no implications arising from this report. The Council continues to ensure it's services and employment practices are fair and do not discriminate against any person or groups of people.

Social Value Impact

- 6.3 There are no implications arising from this report

Environmental Sustainability

- 6.4 There are no implications arising from this report.

7.0 Conclusions

- 7.1 The Productivity Plan for South Derbyshire District Council, as required by the Office for Local Government (OFLOG) at Appendix A summarises the key activities of the Council in ensuring it continuously improves services and how it will continue to do so into the future.

8.0 Background Papers

- 8.1 Medium Term Financial Strategy, Council, 11 April 2024.

Productivity Plan

South Derbyshire District Council

1. Introduction

Our [Council Plan 2024-2028](#) sets out the vision for South Derbyshire to; ‘*work together to shape our environment, drive our economy and support our communities*’ and the four key priorities and aims were identified that the Council will deliver over the next four years. We are proud that as part of our ongoing commitment to continuous improvement, one of these four priorities is dedicated to the modernisation and high performance of value for money and customer-focussed services.

At South Derbyshire, strong financial stewardship underpins our approach to service delivery and projects: we manage our budgets well to provide excellent value for money services and invest in key schemes to make a real difference in our communities. But our current medium term financial plan, which looks ahead to the forthcoming five-year period, is characterised by funding gaps brought about by assumed funding reforms.

Like all councils, the one-year settlement provided as part of the 2024/25 provisional local government finance settlement means that understanding our funding post the current year is extremely difficult. We are therefore making assumptions around funding reform, following the governments commitments to undertake this in the next parliament. We expect the council will be worse off over the coming five-year period to 2028/29 because of this and without intervention, these funding gaps will increase and threaten our ongoing financial sustainability and quality and availability of services to residents and businesses in South Derbyshire. Our new [Medium Term Financial Strategy](#), which was adopted by Council in April 2024, sets out the full assessment of our financial outlook and the plans which this Council will take forward to ensure the Council remains financially resilient.

The Government has highlighted a number of areas that organisations’ Productivity Plans should cover, including transforming the way services are designed and delivered; taking advantage of technology and using data to make better decisions; plans to reduce wasteful spend within the organisation and its systems; and barriers preventing progress.

The production of this document has cost South Derbyshire District Council £2,500 in senior officer time.

2. Productivity in South Derbyshire

The Council will deliver a range of improvements as part of its Sustainable Finance Plan, which sits within the [Medium Term Financial Strategy](#). This plan sets out how the Council will achieve savings over the life of the medium-term financial plan period and is effectively the Productivity Plan for South Derbyshire.

The below summarises how the Council will, via the Sustainable Finance Plan, transform the way services are designed and delivered; take advantage of technology and use data to make better decisions and reduce wasteful spend within the organisation and its systems. A summary of how the Council has achieved this to date is also set out.

Transformation

Through actively reviewing services and comparing ourselves to and learning from others, we will be able to continuously improve services and how they are delivered.

Our Transformation and Business Change Plan 2020-2024 has scoped, managed and delivered a number of major changes across the organisation. The plan gave the Council a focal point for transformation and has delivered customer and digital improvements via four key themes which were then supported by a four-year roadmap, broken down into annual work programmes. The themes in the plan were: Customers; Technology; People; and Processes. Full detail of all achievements of the plan during this period are detailed in the “Transformation 2020-2024 Review and Summary of next Transformation Activities” report delivered to our Finance and Management Committee on 25 April 2024, which can be found [here](#).

We are actively working towards a range of improvements which were approved as part of our [Customer and Digital Projects Roadmap](#). These improvements are necessary for the further advancement of digital provision and / or customer provision linked with our aspirations set out in our Customer Access Strategy which is due to be approved in June 2024.

We are currently reviewing our Transformation approach and developing a new Transformation Strategy for 2024 and beyond.

What we have done	What we are doing/will do
<ul style="list-style-type: none"> • Reviewed two key services identified as in need of improvement: Housing and Planning • Self-referred to the Social Housing Regulator after identifying areas where the Housing Service falls short of the required Consumer Standards and to seek an extension to April 2025 to meet these. • Mobilised a Housing Services Improvement Working Group to work with the Social Housing Regulator and meet the Tenancy Consumer Standards by April 2025. • Unblocked resource barriers in planning to work through a planning backlog, via use of a different delivery model • Committed to investment in staffing resources of the Planning Team. • Developed and consulted on a new Customer Access Strategy. • Reviewed and overhauled a range of core corporate systems and processes included performance management framework, risk management framework • Reviewed and restructured our Communications Team to become a Communications and Engagement Team. 	<ul style="list-style-type: none"> • Committed to deliver £0.5 million of new and additional income and expenditure savings over the next five years – with additional cashable savings to be deployed back into service provision. • Deliver improvements as part of our Digital and Customer Improvements Roadmap; <ul style="list-style-type: none"> ○ Community booking processes for tourism, environmental education and community assets. ○ Environmental Health and Licensing solution incorporating mobile working. ○ Review of technology supporting democratic services ○ Establish a Customer Access Strategy(CAS) action plan to implement the strategic commitments outlined in CAS ○ Implementation of a new waste services back office solution with integration to customer services data. • Establish an organisation approach to benchmarking. • Developing a new People Strategy.

- Transformed processes around senior leadership team decision making.
- Land Charges delivered via shared service with a partner council
- Leisure services operated by third party contractor
- Implemented a digital booking solution, allowing for 24/7 customer bookings and appointments with payment integration. Virtual appointments can also be offered as bookable TEAMS meetings for cases such as planning advice, business growth advice etc.
- Implemented a tenant portal for Council tenants which allows logging of certain requests 24 hours a day such as changes to tenancy details, previously only available when attending Civic office, view tenancy information, raise enquiries, raise repairs and check repair history.
- mySouthDerbyshire customer portal and record has been implemented and allows customers to access dozens of Council services 24/7 through a digital route, shifting the transaction workload and saving back office teams time taken to process requests.
- Updated the corporate call routing solution for interactive voice recognition (IVR). The system provides more details and gives customers more options when on a call to enhance their experience.
- Implemented a new corporate performance solution to improve the collection and presentation of Corporate Plan data using Microsoft PowerBI.
- Undertaken further improvements to the new corporate intranet using Microsoft SharePoint and Office 365 features.
- Replacement of a high number of the Council's major systems over the last four years to Software as a Service provision.
- Route optimisation, so refuse routes have been optimised which aids the service in load balancing, collection and planning labour for future growth.
- Undertook a £700,000 trial of two new refuse vehicles and close collaboration and support with ULEMco, BOC and Toyota Motor Manufacturing (UK) Ltd to test the performance efficiency of new hydrogen/ diesel refuse vehicles.
- Call Secure Plus software was implemented to ensure the Council is fully Payment Card Industry (PCI) compliant when taking payments over the telephone.
- Upgraded the revenues and benefits system and moved to the Cloud. The team have also moved the cashiering and payment system onto the Cloud.
- Installation of 24 new electric vehicle charging points across the district.
- Launching a “New Ways of Working” project, to transform the way in which the Council works (creating a more flexible customer experience; enabling more collaborative working and breaking down silos; joined up thinking; employee productivity improvements; recruitment and retention improvements; improved employee wellbeing; reduced sickness absence; service resilience).
- Developing a Transformation Strategy.
- Reviewing our Customer Feedback model to ensure we're making the best use of all customer feedback and actively pursuing feedback to understand service performance levels
- Developing a business case for the sharing of operational assets and services with a neighbouring local authority.
- Establishing a programme of service reviews, to explore service improvements and consider alternative delivery models.
- Undertake a organisation-wide review of our systems to ensure optimum deployment and engagement.
- Enhance the corporate system network for the capture, reporting and analysis of corporate data.
- Mobilising a governance framework for the delivery of the Sustainable Finance Plan.
- Reviewing our 30-year HRA Business Plan.
- In order for the Council to achieve net zero by 2030 we have identified six transformational actions relating to emissions from our buildings and transport fleet. The new Council Plan has prioritised delivering most of these transformational actions over the next 4 years.
- A Fleet management solution will be going live in Q1 2024/25, predicted to generate £1,200 savings / year on reduction of paper tickets and approximately 50% efficiency savings on staff processing time.
- Implementing a new case management solution for complaints and FOIs to improve visibility, workflow, awareness and reporting of a key customer function.
- Mail managements solution to aid case management is predicted to save £64,000 worth of staff time across the Legal department over the next 4 year when the system goes live later in the financial year.

Commercial and income

Maximising revenue income is imperative to effective service delivery - ensuring that fees and charges are regularly reviewed so that wherever possible, the costs of service delivery are recovered, and that there is no cross subsidy from other service areas. This is particularly important for areas of discretionary spend, where the council does not have a statutory responsibility to deliver the service. Commercial awareness and acumen is also paramount to innovation in delivery.

What we have done	What we are doing/will do
<ul style="list-style-type: none"> • Established a “Sustainable Finance” reserve to fund new income generating projects and initiatives. • Benchmarked fees and charges against other councils; • Established Commercialisation Plan for our Operational Services, to generate new and additional income from trade waste, street cleansing, grounds maintenance, waste collection and fleet services. • New Income Generation Project - Looking forward this commercialisation plan will be monitored by the Income Generation theme of the MTFs programme. • Rosliston Forestry Centre & Environmental Education Project to introduce, the Revitalizing Rosliston Forestry centre project. A new 30-year lease has just been signed with Forestry England. Consultation work is planned on what developments are needed to increase visitor numbers and income. Including opportunities around increasing income from car parking at site, increase in lodge bookings each year and secondary spend e.g. café, gift shop, activities etc. • Active Schools Partnership - continues to retain and grow affiliation fees from schools, as well as securing funding from Street Games to deliver Holiday Activity and food programs (HAF). • Increased usage of community facilities and resultant. • Published an Operational Services Commercialisation Plan in November 2022 containing actions to deliver income of £153,000 in 23/24 increasing to £183,000 in 2025/26. 	<ul style="list-style-type: none"> • Committed to deliver £6 million of new and additional income over the next five years. • Developing a new Corporate Charging Policy to guide service areas effectively and practically in ensuring that the income meets the cost of service or contributes to fixed costs; • Review all fees and charges to ensure cost recovery is achieved; • Ensure discretionary services that do not recover their full cost and unlikely to do so are appropriately considered; • Review the Council’s Council Tax Support scheme; • Develop a Commercial Strategy for the organisation • Undertake a commercial review of Rosiliston Forestry Centre; • Identify and implement new income generating projects/initiatives. • Review our Corporate Debt Policy. • Review chargeable services with a view to maximising pay at point of service/delivery. • Implementation of charging for pre-application advice (expected £50k a year). • Rolling out Planning Performance Agreements (expected £100k a year) • Discussions with other Councils about provision of call monitoring on a commercial/consortium basis. • High level scoping of opportunities in the future such as offering repairs to other landlords.

Asset Management

Managing the assets we own well, ensuring optimum performance cost effectiveness underpins our asset management approach.

What we have done	What we are doing/will do
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<ul style="list-style-type: none"> • Established a successful investment portfolio that generates circa 8% rate of return per annum. • Transferred responsibility for management and maintenance of assets to partners where there is no ongoing benefit of ownership for the Council. • Agreed several collaboration deals with commercial and local landowners to release landlocked land for development purposes, thereby achieving new housing growth and capital receipts for reinvestment back into council assets. • Developed a Planned Preventative Maintenance schedule (PPM). • Structured long-term contractual relationships to ensure asset maintenance responsibilities are fair and do not disadvantage the Council. • Followed up on contractual provisions to ensure where contractors are liable for covering the cost of maintaining assets, this if fulfilled. • Agreed a new Fleet Replacement Strategy • Reviewed Rosliston Forestry Centre to optimise the use and commerciality of the site. 	<ul style="list-style-type: none"> • Committed to deliver £2.1 million of new and additional income and expenditure savings over the next 5 years. • Reviewing performance of existing “investment assets” including the rationalisation of underutilised council assets • Seeking opportunities to acquire new income generating assets to increase and enhance the investment portfolio. • Developing a business case to replace our existing main leisure centre and civic offices to enhance suitability, environmental and financial credentials. • Solar powering our assets. • Review our Asset Management Strategy.
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Managing spend

Since a significant proportion of the Council’s net spend is on supplies and services, ensuring that spend is

<p>What we have done</p> <ul style="list-style-type: none"> • Created a new Procurement Lead post, to act as lead officer on procurement and contract management within the organisation. • Established a “Spend Matters” corporate action team, consisting of cross-organisational officers who meet on a regular basis to identify and support continuous improvement in procurement and contract management. • Amended our procurement thresholds to enable effective procurement and remove barriers to engaging low-value suppliers. • Established a strategic alignment for the procurement with a neighbouring authority, to achieve economies of scale through shared procurements. • Designed processes to ensure services effectively plan their procurements in advance as part of annual service planning. • Identified areas of non-compliance and mobilised further data analysis exercises to ensure spend is compliant with procurement regulations and that arrangements represent the most value for money solution. 	<p>What we are doing/will do</p> <ul style="list-style-type: none"> • Committed to deliver £1.44 million of new and additional income and expenditure savings over the next five years. • Procuring and mobilising a new shared service provider alongside a new internal structure for procurement. • Further reviewing our contract procedure rules to ensure they are streamlined and enable effective achievement of procurement exercises. • Training all of our procuring officers on organisational requirements and the new Public Contract Regulations.
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- Tested and reprocurd key contracts, including leisure services and housing repairs.

Financial and Treasury Management

Achievement of financial savings through measures that link with financial and treasury management practices are an essential part of our Sustainable Finance Programme.

What we have done	What we are doing/will do
<ul style="list-style-type: none"> • Limited external borrowing • Overhauled our budget monitoring approach to streamline and enhance data quality, thereby improving member oversight and scrutiny. • Redesigned the budget development process to be service led, engage members more effectively throughout and seek citizen feedback through consultation, ensuring proposals are tailored in response. • Built the Council's reserves over time to achieve significant investment income due. 	<ul style="list-style-type: none"> • Committed to achieve £0.98 million of income and expenditure savings over the next five years. • Undertaking an assessment of the council's financial management approach against CIPFA's Financial Management Code. • Reviewing the current model deployed for relieving double taxation for residents living in parished areas. • Undertake budget analysis. • Review the council's existing debt portfolio. • Review treasury investment opportunities. • Training staff, managers and leadership on financial management

3. The barriers preventing progress that Government can help to reduce or remove

The Government has requested that barriers preventing progress are highlighted in plans. A summary of key barriers with the "Ask" of Government are listed below:

This section will be updated with the agreement of the Finance and Management Committee Chair, with wording from the District Council Network, but will include reference to:

- **Multiyear settlements** – the 2024/25 financial settlement covered only one year – 2024/25. 2024/25 will be the sixth year of single-year settlements for councils, which hampers the council's ability to undertake effective financial planning and ensure financial sustainability. In future local government should be given at least a three-year settlement which will allow it to make financial plans with some degree of funding certainty. The last 4-year settlement ended in 2019/20. The Council asks that a multi-year settlement is received in the first year following the General Election.
- **Increase funding levels** - For a long time now, there has been (in relation to Fairer Funding and Business Rates Retention) a continued focus on distribution/allocation. Whilst this is very important, the issue of sufficiency must be considered first. The LGA and other representative bodies have done a significant amount of work to quantify the gap which we understand to be c£4 billion.
- **Funding inequity** –

- **Council tax flexibility** - The Council notes that the current referendum limit for council tax is 2.99% or £5. The Council believes that greater flexibility council tax levels is needed locally. The Council notes that when some councils have been in financial difficulty the flexibility has been granted and we have seen increases above 10%. The Council asks that greater flexibility is given re council tax levels
- **Emerging legislation and funding** - The Council notes the Government's legislative agenda in areas like waste management. The Council asks that legislative reforms or other Government requests are accompanied by adequate funding.
- **Capital funding**
- **Council Housing** – stop RTB or at least consider the ability of councils to retain 100% of RTB receipts
- **Homelessness**
- **End Competitive bids / provide targeted funding**

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 17
DATE OF MEETING:	20 JUNE 2024	CATEGORY: DELEGATED
REPORT FROM:	EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION	OPEN
MEMBERS’ CONTACT POINT:	DEMOCRATIC SERVICES 01283 59 5722/5889	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
Work Programme for the Municipal Year 2024/25**

Work Programme Area	Date of Committee Meeting	Contact Officer (Contact details)
Productivity Plan	20 June 2024	Tracy Bingham Executive Director – Resources and Transformation Tracy.bingham@southderbyshire.gov.uk
Audit Sub-Committee Self-Assessment against CIPFA Guidance	20 June 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Annual Governance Statement	20 June 2024	Tracy Bingham Executive Director – Resources and Transformation Tracy.bingham@southderbyshire.gov.uk
Provisional Revenue and Capital Outturn 2023/24	20 June 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Household Support Fund 5	20 June 2024	Catherine Grimley Head of Customer Services Catherine.grimley@southderbyshire.gov.uk
Corporate Plan 2020-24: Performance Report (2023-2024 Quarter 4 – (1 April to 31 March)	20 June 2024	Clare Booth Corporate Performance and Performance Officer Clare.booth@southderbyshire.gov.uk
Treasury Management Annual Report 2023/24	20 June 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk

Decisions made by Policy Committee Requiring Finance and Management Committee Approval of Financial Implications	20 June 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Corporate Plan 2024-28: Performance Report (2024-2025 Quarter 1	05 September 2024	Clare Booth Corporate Performance and Performance Officer Clare.booth@southderbyshire.gov.uk
Q1 Treasury Management Report	05 September 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Q1 Quarterly Budget Monitoring Report	05 September 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Q1 Customer Feedback	05 September 2024	Catherine Grimley Head of Customer Services Catherine.grimley@southderbyshire.gov.uk
Budget Setting Approach 2025/26	05 September 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Conclusion of the audit of accounts 2021/21 and 2022/23 TBC	05 September 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Empty Homes Policy & Strategy	05 September 2024	Matt Holford Head of Environmental Services Matt.holford@southderbyshire.gov.uk

Decisions made by Policy Committee Requiring Finance and Management Committee Approval of Financial Implications	05 September 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southderbyshire.gov.uk
Customer Access Strategy	05 September 2024	Catherine Grimley Head of Customer Services Catherine.grimley@southderbyshire.gov.uk
Old Post Regeneration Association	05 September 2024	Mike Roylance Head of Economic Development and Growth Place and Prosperity Mike.roylance@southderbyshire.gov.uk
Visit Peak District & Derbyshire	05 September 2024	Mike Roylance Head of Economic Development and Growth Place and Prosperity Mike.roylance@southderbyshire.gov.uk
Corporate Plan 2024-28: Performance Report (2024-2025 Quarter 2)	21 November 2024	Clare Booth Corporate Performance and Performance Officer Clare.booth@southderbyshire.gov.uk
Q2 Treasury Management Report	21 November 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southderbyshire.gov.uk
Q2 Quarterly Budget Monitoring Report	21 November 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southderbyshire.gov.uk
Q2 Customer Feedback	21 November 2024	Catherine Grimley Head of Customer Services Catherine.grimley@southderbyshire.gov.uk

Draft Consolidated Budget 2025/26	21 November 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Transformation Strategy	21 November 2024	Anthony Baxter Head of Business Change and ICT Anthony.baxter@southderbyshire.gov.uk
Decisions made by Policy Committee Requiring Finance and Management Committee Approval of Financial Implications	21 November 2024	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Council Tax Base 2025/26 and Collection Fund Surplus/Deficit for 2024/25	09 January 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
CTS Banded Scheme	09 January 2025	Catherine Grimley Head of Customer Services Catherine.grimley@southderbyshire.gov.uk
Capital Strategy, Treasury Management Strategy and Prudential Indicators 2025/26	06 February 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Consolidated Budget report 2025/26 and Medium Term Financial Plan 2025/26 – 2029/30	06 February 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Decisions made by Policy Committee Requiring Finance and Management Committee Approval of Financial Implications	06 February 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk

Corporate Plan 2024-28: Performance Report (2024-2025 Quarter 3)	20 March 2025	Clare Booth Corporate Performance and Performance Officer Clare.booth@southderbyshire.gov.uk
Q3 Treasury Management Report	20 March 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Q3 Quarterly Budget Monitoring Report	20 March 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Q3 Customer Feedback	20 March 2025	Catherine Grimley Head of Customer Services Catherine.grimley@southderbyshire.gov.uk
Sustainable Energy Viability and Options Appraisal	20 March 2025	Matt Holford Head of Environmental Services Matt.holford@southderbyshire.gov.uk
Decisions made by Policy Committee Requiring Finance and Management Committee Approval of Financial Implications	20 March 2025	Charlotte Jackson Head of Finance and Performance Charlotte.jackson@southdernityshire.gov.uk
Environmental Services Commercialisation Plan review	TBC	Matt Holford Head of Environmental Services Matt.holford@southderbyshire.gov.uk

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