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21 September 2016

To: All Councillors

As a Member of the **Council**, please treat this as your summons to attend the meeting on **Thursday 29 September 2016 at 6.00pm in the COUNCIL CHAMBER, TOWN HALL, MATLOCK.**

Yours sincerely

A handwritten signature in black ink, appearing to be 'Sandra Lamb', written in a cursive style.

Sandra Lamb
Head of Corporate Services

AGENDA

PRESENTATION BY THE AIR AMBULANCE SERVICE

A presentation will be given by Richard Fletcher on behalf of The Air Ambulance Service and the Belper & Matlock District Supporters Group.

1. APOLOGIES

Please advise Democratic Services on 01629 761133 or e-mail committee@derbyshiredales.gov.uk of any apologies for absence.

2. PUBLIC PARTICIPATION

To enable members of the public to ask questions, express views or present petitions, **IF NOTICE HAS BEEN GIVEN**, (by telephone, in writing or by electronic mail) **BY NO LATER THAN 12 NOON OF THE DAY PRECEDING THE MEETING.**

3. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETINGS

30 June 2016 and 8 August 2016.

4. INTERESTS

Members are required to declare the existence and nature of any interests they may have in subsequent agenda items in accordance with the District Council's Code of Conduct. Those interests are matters that relate to money or that which can be valued in money, affecting the Member her/his partner, extended family and close friends. Interests that become apparent at a later stage in the proceedings may be declared at that time.

5. CHAIRMAN'S ANNOUNCEMENTS

Announcements of the Chairman of the District of Derbyshire Dales.

6. COMMITTEES

To receive the non-exempt minutes of the Committees shown below:

Committee	Date
Non Exempt Minutes to be Received	
Council	30 June 2016
Special Council	8 August 2016
Planning Committee	14 June 2016
Local Plan Advisory Committee	22 June 2016
Planning Committee	29 June 2016
Licensing & Appeals Sub Committee	7 July 2016
Local Plan Advisory Committee	11 July 2016
Planning Committee	12 July 2016
Local Plan Advisory Committee	13 July 2016
Licensing & Appeals Committee	19 July 2016
Licensing & Appeals Sub Committee	21 July 2016
Licensing & Appeals Sub Committee	25 July 2016
Local Plan Advisory Committee	27 July 2016
Planning Committee	9 August 2016
Community & Environment Committee	1 September 2016
Planning Committee	6 September 2016
Special Planning Committee	20 September 2016
Governance & Resources Committee	22 September 2016

MINUTE BOOK TO FOLLOW

7. QUESTIONS (RULE OF PROCEDURE 15)

Questions, if any, from Members who have given notice.

8. PROPOSAL OF A NOTICE OF MOTION (RULE OF PROCEDURE 16)

The Council will debate the following Motion, submitted by Councillor Mike Ratcliffe, in accordance with Rule of Procedure 16.

"We are proud to live in a diverse and tolerant society. Racism, xenophobia and hate crimes have no place in our country. We the members of Derbyshire Dales District Council condemn racism, xenophobia and hate crimes unequivocally. We will not allow hate to become acceptable.

Derbyshire Dales District Council will work to ensure local bodies and programmes have the support and resources needed to fight and prevent racism and xenophobia.

We reassure all people living in Derbyshire Dales that they are valued members of our community."

- 9. GYPSIES AND TRAVELLERS** **5 - 19**
- To consider a report informing Members of the Council's duties and responsibilities in regard to Gypsies and Travellers and to seek endorsement, in principle, for the provision of a permanent Gypsy and Traveller site on land at Watery Lane, Ashbourne and to agree to enter into discussions with Derbyshire County Council and Derbyshire Gypsy Liaison Group.
- 10. ANNUAL TREASURY MANGEMENT REVIEW 2015/16 & UPDATE TO TREASURY MANAGEMENT STRATEGY** **20 - 27**
- To consider approval of the Annual Treasury Management Review, the Treasury Management Prudential & Treasury Indicators, the amendment of the Treasury Management Strategy for 2016/17. Also to note the change in the Treasury Management Advisors.
- 11. CONSULTATION ON BUSINESS RATES RETENTION AND THE FAIR FUNDING REVIEW** **28 - 37**
- To consider a report informing Members of the Government Consultation on Business Rates Retention and Fair Funding, and to note the Council's responses to the consultation papers.
- APPENDICES TO FOLLOW**
- 12. APPOINTMENT OF EXTERNAL AUDITOR** **38 - 40**
- To consider approval of the Council opting into the 'Appointing Person Arrangement' being developed by Public Sector Audit Appointments Limited (PSAA) for the appointment of external auditors for the accounts from 2018/19 onwards.
- 13. NORTH DERBYSHIRE AND HARDWICK CLINICAL COMMISSIONING GROUPS – BETTER CARE CLOSER TO HOME CONSULTATION** **41 - 44**
- To consider a report summarising the proposals contained in the Better Care consultation document issued by North Derbyshire Clinical Commissioning Group and Hardwick Clinical Commissioning Group in June 2016, and approval of a recommended composite response (noted in paragraph 2.10) and it's submission by the Head of Regulatory Services.
- 14. REVIEW OF PARLIAMENTARY CONSTITUENCIES** **45 - 47**
- To note a report that outlines the Boundary Commission for England's proposals to review Parliamentary Constituencies ahead of the next fixed term UK Parliamentary Election, and consider endorsing and/or improving a written response to the first round of consultation.

15. CAPITAL PROGRAMME UPDATE: HALL LEYS CAFÉ, MATLOCK

48 - 56

To consider and approval of an increase of £40,000 in the 2016/19 Capital Programme to finance works arising from the District Council's Property Condition Survey of Hall Leys Park Café and the inclusion of this amount in the revised Capital Programme proposals and financing for 2016/17 to 2019/20.

16. SEALING OF DOCUMENTS

To authorise that the Common Seal of the Council be affixed to those documents, if any, required completing transactions undertaken by Committees or by way of delegated authority to others, since the last meeting of the Council.

17. EXCLUSION OF PUBLIC AND PRESS

At this point the Committee will consider excluding the public and press from the meeting for the remaining items of business for the reasons shown in italics. The Chairman will adjourn the meeting briefly to enable members of the public to speak to Councillors.

18. COMMITTEES

To receive the exempt minutes of the Committees shown below:

(The following minutes are excluded from the meeting because they result in exempt information being disclosed)

Licensing & Appeals Sub Committee – 21 July 2016

NOTE

For further information about this Agenda or on "Public Participation" call 01629 761133 or e-mail committee@derbyshiredales.gov.uk

COUNCIL

29 SEPTEMBER 2016

Report of the Chief Executive

GYPSIES AND TRAVELLERS

PURPOSE OF REPORT

To inform Members of the Council's duties and responsibilities in regard to Gypsies and Travellers; to outline the issues that have arisen in the Derbyshire Dales during the preceding 2 years; and to facilitate Member discussion of the issues.

To seek endorsement, in principle, for the provision of a permanent Gypsy and Traveller site on land at Watery Lane, Ashbourne and to agree to enter into discussions with Derbyshire County Council and Derbyshire Gypsy Liaison Group.

RECOMMENDATION

1. That Council acknowledges and accepts its duties and responsibilities to Gypsies and Travellers under the Planning and Housing legislation.
2. That subject to the consideration of representations received in respect of the Pre-Submission Draft Derbyshire Dales Local Plan, Council endorses the principle of development of the site at Watery Lane, Ashbourne as a permanent Gypsy and Traveller site.
3. That subject to (2) above, Officers investigate the development costs and explore opportunities for external funding for the construction of a Gypsy and Traveller site at Watery Lane, Ashbourne.
4. That subject to (2) above, Officers engage in discussions with Derbyshire County Council and Derbyshire Gypsy Liaison Group in order to agree the heads of terms and define the lessee for the land at Watery Lane, Ashbourne.
5. That subject to the findings of the Ecological Survey, application be made to Natural England, as necessary, to secure a Development Licence Agreement for land at Watery Lane, Ashbourne.
6. That a further report be presented to Council in Spring 2017 reporting on the outcome of the above.
7. That the options for introducing physical barrier systems on the Council's existing car parks be noted as inappropriate for the prevention or deterrence of unauthorised encampments.

WARDS AFFECTED

All Wards

STRATEGIC LINK

The District Council's duties under Planning and Housing legislation, underpins its corporate objectives in relation to the whole of the District.

1 BACKGROUND

- 1.1 'Traveller' is a generic term used to describe groups of people whose lifestyle or culture is rooted in a nomadic way of life.
- 1.2 Gypsies and Travellers are a part of British life and have been so for many centuries. They make up a very small minority in the wider population. Some Gypsies and Travellers live in caravans or other vehicles and follow a lifestyle that is nomadic, or semi-nomadic, in that it involves travel for at least part of the year.
- 1.3 Gypsies of Romany origin (English, Welsh, Scottish and European Travellers) and Irish Travellers live in Derbyshire or use many parts of Derbyshire as a traditional stopping place and have done so for hundreds of years. Other Travellers are also found within the County.
- 1.4 Romany Gypsy people are an indigenous ethnic minority group which is thought to have originated in India. Their language is Romanes. Irish Travellers are an indigenous, nomadic ethnic minority group found in Ireland and Britain. Their language is Cant or Gammon although they predominantly speak English.
- 1.5 New Travellers are generally former house-dwellers who now travel. They are not a recognised ethnic group. Many New Travellers have been travelling for a number of years and some have children that have only ever known a travelling lifestyle.
- 1.6 Travelling Show People are people who organise and run fairgrounds. A Show Person will often refer to him / herself as a Traveller, however, the term Show People is used to differentiate people who organise fairgrounds from other travelling communities.
- 1.7 The work of Derbyshire Authorities with the various travelling communities is co-ordinated through the long-established Derbyshire Traveller Issues Working Group (TIWG). This is an Officer Group that brings together all of the Derbyshire District and Borough Councils, Derby City Council, Derbyshire County Council, Derbyshire Constabulary, the Health community, the Environment Agency and Derbyshire Gypsy Liaison Group.
- 1.8 TIWG has produced a guidance document that sets out the commitments of the various partner agencies. In relation to the District and Borough Councils these relate to statutory functions such as dealing with planning enquires, receiving homelessness applications and managing both authorised and unauthorised Traveller encampments.
- 1.9 The document recognises that providing these services often involves making difficult decisions but commits members to treating all sections of the community fairly.
- 1.10 The most recent significant work co-ordinated through TIWG has been the Derbyshire and East Staffordshire Gypsy and Traveller Accommodation Assessment undertaken in 2014 / 2015. This work is explained in more detail in the section relating to the Local Plan below.

- 1.11 The Derbyshire Dales District Council area does not currently contain an authorised Traveller site. However, from time to time, unauthorised sites appear in the District. Sometimes these sites are established on land that is owned or administered by the District Council and it is these sites that the District Council has a duty to manage. Sites established on the public highway are managed by the Highway Authority which, in our case, is usually Derbyshire County Council.
- 1.12 In addition to the temporary encampments of Travellers who are passing through the District, the District Council is also aware of one family group of Travellers with an accepted local connection to the area. The particular circumstances of this family are such that they wish to access a permanent site within the District on which to live. At the present time no such site is available and, as a consequence, they also travel around the District, moving from site to site. Because of their circumstances the encampments of this family are often lengthier than those of Travellers who are 'passing through' and they often occur on land that is administered by the District Council.
- 1.13 In dealing with these different forms of Traveller encampments the District Council must have regard to a number of legal duties and these are set out in the following sections of the report.

2 REPORT

National Planning Policy

- 2.1 The National Planning Policy Framework (NPPF) establishes that Local Planning Authorities, through their Local Plans, should identify and meet objectively assessed housing needs based upon adequate, up-to-date and relevant evidence. Furthermore, there is a requirement for Local Planning Authorities to have a clear understanding of housing needs in their area and to address the need for all types of housing (including Travellers housing needs).
- 2.2 In August 2015, the Department for Communities and Local Government (DCLG) revised the '*Planning Policy for Traveller Sites (PPTS)*'. For the purposes of this planning policy, 'Gypsies and Travellers' means:
- 'Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling show people or circus people travelling together as such'.*
- 2.3 The Government's overarching aim is to ensure fair and equal treatment for travellers, in a way that facilitates the traditional and nomadic way of life of travellers while respecting the interests of the settled community.
- 2.4 To help achieve this, Government's aim in respect of traveller sites are:-
- That Local Planning Authorities make their own assessment of need.
 - That Local Planning Authorities working collaboratively, develop fair and effective strategies to meet need through the identification of land and sites.
 - That Local Planning Authorities plan for sites over a reasonable timescale.
 - To promote more private traveller site provision.

- That plan making and decision-taking should aim to reduce the number of unauthorised developments and encampments and make enforcement more effective.
- For Local Planning Authorities to ensure that their Local Plans include fair, realistic and inclusive policies.
- To increase the number of traveller sites in appropriate locations, to address under provision and maintain an appropriate level of supply.
- To reduce tensions between settled and Traveller communities in plan making and planning decisions.
- To enable provision of suitable accommodation from which travellers can access education, health, welfare and employment infrastructure.
- For Local Planning Authorities to have due regard to the protection of local amenity and the local environment.

Local Plans and Plan Making

- 2.5 Local Plans must be prepared with the objective of contributing to the achievement of sustainable development. To this end they should be consistent with the policies in the National Planning Policy Framework, including the presumption in favour of sustainable development and the application of specific policies in the Framework, and with published planning policy for Traveller Sites (PPTS).
- 2.6 Local Planning Authorities are required to set pitch targets for Gypsies and Travellers and plot targets for travelling show people which address the likely permanent and transit site accommodation needs of Travellers in their area, working collaboratively with neighbouring Local Planning Authorities.
- 2.7 In producing its Local Plan, a Local Planning Authority should:-
- Identify and annually update a supply of specific deliverable sites sufficient to provide 5 years' worth of sites against their locally set targets.
 - Identify a supply of specific, developable sites, or broad locations for growth, for years 6 to 10 and where possible for years 11 to 15.
 - Consider production of joint development plans that set targets on a cross-authority basis, to provide more flexibility in identifying sites, particularly if a local planning authority has special or strict planning constraints across its area.
 - Relate the number of pitches or plots to the circumstances of the specific size and location of the site and the surrounding population's size and density.
 - Protect local amenity and environment.
- 2.8 The Derbyshire and East Staffordshire Gypsy and Traveller Accommodation Assessment (GTAA) undertaken in 2014 / 2015 indicated that 9 pitches were required in Derbyshire Dales in order to meet the needs of the Gypsy and Traveller community over the Derbyshire Dales Plan period. This requirement is broken down such that 6 pitches are required to be provided within the first 5 years and then 1 pitch every 5 years thereafter.

- 2.9 Therefore, in order to comply with the requirements of Planning Policy for Travellers Sites (PPTS) the Derbyshire Dales Local Plan should, as a minimum, make provision for 6 pitches over the first 5 years of the plan period, as well as identifying the approach to addressing the needs beyond that 5 year period.
- 2.10 To put these requirements into context, Table 1 below outlines the pitch requirements for Derbyshire and Staffordshire Authorities in the period 2014-2034 as contained in the 2014 GTAA:-

Twenty Year Gypsy and Traveller Pitch Needs Summary 2014 - 2034			
	Existing Provision 2014	Additional Provision 2014 – 2034	Provision Required at 2024
Amber Valley	0	10	10
Bolsover	17	17	34
Chesterfield	2	2	4
Derby City	17	31	48
Derbyshire Dales	0	9	9
East Staffordshire	13	11	24
Erewash	0	1	1
High Peak	0	0	0
North East Derbyshire	23	15	38
Peak District National Park	0	0	0
South Derbyshire	63	38	101
Total	135	134	269

Table 1 : Gypsy and Traveller Pitch Requirements 2014 - 2034

- 2.11 In June 2015, planning permission was granted for the change of use of land to Traveller site with 4 no. family pitches at Watery Lane, Ashbourne (application 15/00181/FUL). Policy HC6 of the Pre-Submission Draft Derbyshire Dales Local Plan reflects this permission and safeguards this site for Gypsies and Travellers. A Plan of the site is attached at Appendix 1.
- 2.12 Following the grant of planning permission, the District Council were made aware of the possibility of ecological interests being present on the site, the nature and extent of which would need to be established prior to any development taking place. Whilst general ecological walk-over surveys can be undertaken at any time of year, specialist bait-marking surveys can only be undertaken either between February and late April or between early September and mid-October. In view of the requirement to progress the Gypsy and Traveller issue in the context of the Derbyshire Dales Local Plan, it was incumbent upon the District Council being able to demonstrate that appropriate provision had been made in the Local Plan as required by National Planning Policy. In order to do this, it was necessary to commission an ecological survey of the site, the nature of which was time constrained. The District Council, therefore, took the initiative and invited a number of ecological consultants to submit fee proposals. These fee proposals were evaluated and consultants were appointed under delegated

authority following consultations with the Leader and Deputy Leader of the Council. The cost of the Ecological Survey was £5,869 which has been met in full, by the District Council. At the time of writing, the findings of the Ecological Survey are awaited.

- 2.13 In order to meet the requirements of the PPTS to provide a 5 years supply of sites for Gypsies and Travellers, there is a need to accommodate a total of 6 pitches in the Derbyshire Dales in the period 2014-2019. In this regard, land at Watery Lane is of sufficient size to accommodate this requirement. Policy HC6 of the Pre-Submission Derbyshire Dales Local Plan reflects this position.

Homelessness

- 2.14 In addition to its responsibilities in relation to the Local Plan, a Local Authority also has a duty to act in relation to homelessness. A Gypsy or Traveller can ask the Local Authority for help with housing if they live in a caravan or mobile home and there is nowhere they are legally allowed to park it.

- 2.15 As with any resident, when Gypsies or Travellers approach the Council to make a homelessness application, there are 5 legal tests. These tests are:-

- *Homeless* - a person will be considered legally homeless if he / she has no accommodation which is available and reasonable for him / her to live in or, for example, nowhere legal to park a caravan.
- *Eligibility* - certain people who arrive in this Country or who are returning from a period living abroad do not qualify for housing under homelessness law.
- *Priority Need* - homeless applicants are only entitled to housing assistance if they are in priority need. To be in priority need, an applicant will need to show (for example) that he / she is living with a dependent child or vulnerable due to age, physical or mental illness or disability.
- *Intentionality* - an applicant may be considered 'intentionally homeless' if he / she has deliberately done something which has resulted in the loss of their home. The definition of 'intentionally homeless' is complex and the Local Authority must look at each case individually, taking all circumstances into account.
- *Local Connection* - an applicant would usually be expected to have lived in the area for at least 6 months during the previous year, or for not less than 3 years during the previous 5 year period, work or have family links to have a local connection. If an applicant has no local connection to any area the duty to help secure accommodation lies with the housing authority that received the application.

- 2.16 If Gypsies or Travellers are legally homeless the Local Authority must offer them suitable accommodation. Suitable means suitable accommodation for the person to whom that duty is owed. Local Authorities must consider that there are cultural aversions to conventional bricks and mortar housing and that there is a positive obligation to act so as to facilitate the Gypsy and Traveller way of life, without being under a duty to guarantee it in any particular case. If a Gypsy or Traveller was offered conventional housing rather than a pitch or was offered a pitch when conventional housing was required he or she could seek to challenge this offer under homelessness law.

Managing Unauthorised Encampments

- 2.17 As stated earlier, some Travellers follow a nomadic or semi-nomadic way of life, travelling around the country and living in caravans or other vehicles. Often they travel in order to obtain work. At present there are more Traveller caravans in circulation than there are legally authorised places on which they can stop. At any one time there are estimated to be in the region of 3,500 Traveller caravans on unauthorised sites in England. Hardly any of these could be accommodated on existing authorised sites specifically provided for Gypsies and Travellers.
- 2.18 Unauthorised encampments vary significantly. In terms of size they can vary from a few vehicles to groups with over 100 caravans; from locations that are hidden away and unobtrusive to neighbours, to sites that are highly visible and intrusive; from those where no-one on the site causes any nuisance to those where many cause nuisance, crime and anti-social behaviour; and from groups that leave an area cleaner than they found it to those who leave the land damaged, with large amounts of fly tipping and domestic waste.
- 2.19 In order to estimate the scale of the issue Local Authorities carry out a twice yearly count of Traveller caravans. This exercise records the number of caravans found on both authorised and unauthorised sites on set dates in January and July. Whilst these counts will not be completely accurate they provide useful information at both the local and the national level.
- 2.20 The count has been carried out for over 30 years. The most recent count for which figures are available was carried out in January 2016. This indicated that there were approximately 21,306 Traveller caravans on sites in England in total. Of these 7,046 were on socially rented, authorised sites, 11,454 were on privately owned, authorised sites, 2,130 were on unauthorised developments on land owned by Travellers and 676 were on unauthorised encampments on land not owned by Travellers.
- 2.21 These numbers vary seasonally as some Travellers will leave their winter sites in order to travel during the summer months. In July 2015 for example, the number of caravans on unauthorised sites on land not owned by Travellers was 1,201, roughly double the numbers in January 2016.
- 2.22 Geographically the counts consistently show the highest numbers of Traveller caravans on unauthorised sites in the Eastern, Southeast and Southwest regions. Very generally the patterns reflect traditional areas of resort for Gypsies and Travellers and work opportunities in various contracting (e.g. aspects of the building trade, garden and tree work), trading (e.g. carpets and furniture) and seasonal agricultural work.
- 2.23 Within the Derbyshire Dales the number of encampments is generally low. The last 5 counts are summarised in the table below:

Date	Number of Encampments	Number of Caravans
January 2016	1	5
July 2015	2	10
January 2015	1	4
July 2014	1	6
January 2014	0	0

Table 2 : Derbyshire Dales Traveller Counts

- 2.24 However, it should be noted that these figures represent the numbers of encampments and caravans on 2 specified dates during each of these years only.
- 2.25 Unauthorised encampments in the Derbyshire Dales at other times of year are recorded by the District Council's Environmental Health Team. The District Council operates a reactive service, so records are only made when reports are received, but this represents the best monitoring of unauthorised encampments throughout the District.
- 2.26 The lead role in managing an unauthorised encampment is usually taken by the owner of the land on which the encampment is sited. So, on land owned by the District Council, the lead is taken by Council Officers. On highway land the lead role is taken by the Highways Authority, usually Derbyshire County Council and on private land the lead would be taken by the private land owner. The objectives of managing an unauthorised encampment are to balance the needs of the Travellers with those of the settled community whilst the encampment is active, to keep the site clean, to consider the welfare needs of the Travellers and ultimately to recover possession of the land.
- 2.27 Unauthorised encampments in the Derbyshire Dales largely fall into 2 categories: those involving the one local family group and those involving groups who are travelling through the District. Those involving the family group tend to occur at a few locations, either on car parks or roadside locations. Those involving other groups are less predictable but do tend to occur on car parks. In this way it can be seen that the majority of unauthorised encampments do require intervention from the District Council.
- 2.28 In order to give some context the table below shows the number of reported encampments over the last 5 years:

Year	Family Encampments	Other Encampments	Total Encampments
2015/16	14	1	15
2014/15	5	4	9
2013/14	7	3	10
2012/13	8	4	12
2011/12	5	1	6

Table 3 : Derbyshire Dales Encampments

- 2.29 At the time of writing, there have been 12 encampments reported during 2016 / 2017, 7 of these involved the family group and 5 consisted of other encampments.
- 2.30 A number of legal powers are available to address unauthorised encampments. The power that is most used by the District Council in order to gain possession of land is Part 55 of the Civil Procedure Rules. This procedure allows a land owner to obtain a Possession Order from the County Court where it requires the removal of trespassers from property. In the main this procedure has proved effective for the District Council, particularly where an Order has been obtained that has prohibited named Travellers from returning to a particular site for a period of time when that site is most needed.

- 2.31 Local Authorities also have powers under section 77 of the Criminal Justice and Public Order Act 1994. These powers were introduced in response to the then current phenomenon of New Travellers and the dance music scene and were intended to deal with large scale open air raves. The Act gives Local Authorities the power to direct those living in vehicles to leave the land on which they are sited. It is an offence not to comply with a direction and the Local Authority can apply to a Magistrates' Court for an Order requiring the removal of vehicles and any occupants from the land if the direction is not complied with. Many traditional Travellers do not like this power as they consider that it criminalises their way of life.
- 2.32 Injunction powers have not yet been used by the District Council. However, if a site is particularly vulnerable and intelligence suggests it is likely to be targeted for unauthorised camping, causing disruption to others going about their day-to-day lives, Local Authorities could consider applying to the Courts for a pre-emptive injunction preventing unauthorised camping in a defined geographical area. The benefit of an injunction is that it would enable the Court to take punitive action upon breach. These powers include imprisonment and financial penalties and in most cases this in itself acts as a deterrent. In exercising such powers the Court would consider the actions of the family, their circumstances and financial means. In addition to Contempt Proceedings for any breach of an Injunction the District Council may still need to use resources to employ bailiffs to secure possession of the land if the occupants fail to vacate the site.
- 2.33 Legal advice has been sought on the potential of using these powers in relation to the 2 distinct situations that occur in Derbyshire Dales. In considering the grant of an Injunction, the Courts would consider; whether there is a real risk of an unlawful encampment on the area of land subject to the application, the proportionality of the Injunction on those affected; the availability of alternative sites and efforts by the LPA to comply with its duty under the Planning Policy for Travellers Sites.
- 2.34 In relation to the known Traveller family the advice is that the Courts might have sympathy with the situation that the family finds itself in as there are no pitches available within the District and that even if an Injunction were granted by the Courts the deterrent effect may be low or would lead to further unauthorised encampments elsewhere in the District. Overall the advice is that the possession powers that are currently being used under the Civil Procedure Rules are likely to present a lower risk to the District Council than the use of pre-emptive injunctions.
- 2.35 In relation to other forms of encampment, Legal advice is that seeking a District wide pre-emptive injunction is unlikely to be considered proportionate by the Courts due to the relatively low number of encampments experienced throughout the District. Seeking injunctions for a smaller number of specified sites would have a knock on effect on the family group and would again be considered a higher risk option than the continued use of Possession Proceedings.
- 2.36 A relatively new power introduced through the Anti-social Behaviour, Crime and Policing Act 2014 is the Public Space Protection Order (PSPO). The PSPO power is designed to deal with a particular problem or nuisance within an area. The behaviour giving rise to this problem must be having a detrimental effect on the quality of life of those in the community, it must be persistent or continuing and it must be unreasonable. A PSPO can impose restrictions on the use of that area which apply to everyone who is carrying out that activity.

2.37 Whilst PSPOs have been made in relation to Traveller activities in a small number of other Districts, advice here is that such an Order would disproportionately criminalise one family who has an unmet identified local need and, in the absence of an authorised site to which Travellers can be directed, this would be a high risk option as compared to the existing procedures under the Civil Procedure Rules.

Options for the Traveller Family Group

2.38 Throughout this report there has been frequent reference to a specific family group of Travellers who have moved around the District on a series of unauthorised encampments for a significant number of years. This family group, consisting of a core group of 4 caravans, claims a local connection with the area and has previously presented as homeless.

2.39 From interviews with this family and with their representatives, the Derbyshire Gypsy Liaison Group, Officers believe that they would like to settle onto a permanent site within the Derbyshire Dales. It is understood that their intention is to look after a disabled member of their family group on this site. However, it is believed that they lack the finances to buy a site and develop it themselves.

2.40 Within the Derbyshire Dales area there are currently 2 sites with permission to be developed as Traveller sites. They are situated at Watery Lane in Ashbourne and The Woodyard at Homesford. As outlined above, the site at Watery Lane has a full, permanent planning permission and The Woodyard has a 3-year temporary permission. Neither of the sites is specifically tied to this family in terms of their planning permissions, but Officers are informed by both the family and by Derbyshire Gypsy Liaison Group that they see the Watery Lane site as by far the best option for their particular needs.

2.41 Whilst Derbyshire County Council has confirmed that they are agreeable to the land at Watery Lane being allocated for Gypsy and Traveller use within the Derbyshire Dales Local Plan, they are not in a position to finance the costs of site construction and have no legal responsibilities to do so. The County Council is, however, prepared to let the site to another agency and to allow it to be developed as a Traveller site. It will, therefore, be necessary for discussions to take place between Derbyshire County Council (as landowner), the District Council (as Local Planning and Housing Authority) and Derbyshire Gypsy Liaison Group in order to draft heads of terms for a lease agreement and to agree who is the most appropriate body to enter into such a lease.

2.42 The funding of Gypsy and Traveller sites is also an important consideration. Previously, Central Government has provided and administered a Traveller Pitch Funding grant for Local Authorities to bid into. However, this fund has now been absorbed into the Affordable Housing Programme. The emphasis of this Programme has moved from the social rent model towards supporting a home ownership model. On the basis of the Programme Prospectus issued, there is no dedicated funding available for Traveller sites. The Chief Executive has, therefore, sent a letter to the Rt. Hon. Sir Patrick McLoughlin, MP asking for assistance in lobbying the new Housing Minister concerning the reinstatement of a dedicated funding source for Traveller sites. A response to this request is awaited.

2.43 Although no formal estimates have been sought, initial indications based upon information provided by the Homes and Communities Agency indicates that for the 2011-2015 Traveller Site Programme, the median cost of developing a new Traveller pitch in the Midlands was £112,128. In order to progress the permanent provision of a

site for Gypsies and Travellers, further detailed work is required in order to ascertain precise cost estimates for further consideration and discussion with DGLG.

- 2.44 Whilst ever no permanent site is available for the current Traveller family it is clear that they will continue to camp at unauthorised locations and will continue to require some form of intervention from the District Council.

Options for Public Land

- 2.45 Over the previous 5 years the District Council has received a total of 52 reports of unauthorised encampments. Of these, 25 were on land owned by the District Council and a further 8 on land for which the District Council can control access. The sites and the number of encampments are shown below:-

Site	Number of Encampments
Temple Walk Car Park, Matlock Bath	11
Station Car Park, Matlock Bath	10
Clifton Road Coach and Car Park, Ashbourne	1
Burial Ground, Doveridge	1
Fishpond Meadow Car Overspill Car Park, Ashbourne	1
Hall Leys Park, Matlock	1
Agricultural Business Centre, Bakewell	8

Table 4 : Encampments on Derbyshire Dales Controlled Land

- 2.46 During 2016 / 2017 there have been a further 12 encampments reported to Environmental Health, of which 7 were on District Council land and 2 at the Agricultural Business Centre. Of those on District Council land 3 were at Matlock Bath Station Car Park, 2 were at Temple Walk Car Park, 1 was at Ashbourne Leisure Centre and 1 was at Shawcroft Car Park in Ashbourne.
- 2.47 At the present time, the District Council's response to these encampments is to manage them whilst in situ and to pursue possession proceedings. These actions involve the Environmental Health and Legal Teams in significant amounts of work. The Clean and Green Team are also heavily involved in cleansing sites once the encampment has left. In some cases this can be a simple task and in others it can be a time consuming and unpleasant task, leading to significant costs and potential exposure to public health hazards.
- 2.48 Where Officers are aware of the imminent arrival or movement of an encampment, steps are taken to safeguard vulnerable locations. For example, when setting dates for possession of Matlock Bath Station Car Park security guards have been hired to prevent access onto Temple Walk Car Park. However, it is not possible to maintain this type of protection indefinitely.
- 2.49 Officers have been asked to consider defensive measures that might be taken in relation to vulnerable locations. Table 4 above indicates that, in regard to publicly owned sites, those that are currently most likely to be camped upon are Temple Walk Car Park Matlock Bath, Station Car Park Matlock Bath and the Agricultural Business Centre, Bakewell. Other publicly owned sites appear to be less vulnerable although it should be noted that efforts to make these locations more secure may result in encampments being established in other locations.

- 2.50 Measures that might be taken to protect these areas include: gated and lockable access points; low level entry / exit barriers; and height restriction barriers.
- 2.51 The first option (gated and lockable access points) is the cheapest option and ideal for locations which require limited access by authorised vehicles, but which are kept locked at all other times. Keys (or combination codes) are held by those with authority to enter. This option is impractical for use on publicly accessible car parks where vehicles are constantly coming in and out, but is currently used to good effect at High Tor Pleasure Grounds where access needs to be restricted. Whilst this option would prevent access to the site, it would greatly affect the availability of parking for residents and visitors and the District Council's car parking income.
- 2.52 The second option (low level entry / exit barriers) is the most expensive option and is designed to allow entry to a car park, but restrict subsequent departure unless a parking fee is paid or authorised pass presented. This system would not prevent unauthorised encampments, but might serve to limit the movement of those vehicles associated with them, once inside. It would be expensive to install and manage, requiring initial investment in securing all boundaries, providing ticket operated barriers at entry/exit points, installing enhanced secure payment points and providing access to 24 hour customer communications and callout services. Initial capital investment would likely be in the region of £200,000 per site, with ongoing revenue costs in the region of £20,000 per annum neither of which is currently budgeted for. Operational costs increase further (through the use of additional smart cards and tokens) where there is a need to allow free passage by other parties who share access rights. In the case of Matlock Bath Station, it would include Network Rail, East Midlands Trains, Severn Trent Water, Derbyshire Wildlife Trust, Matlock Rifle Club and some private householders, whilst Temple car park and the Agricultural Centre would be equally problematic, with Holy Trinity Church, Vicarage and school sharing access rights over the former, and Bakewell Show and Bagshaws the latter.
- 2.53 The third option (height barriers) is the most effective control measure for public car parks and is widely used by Local Authorities throughout the Country. Initial installation costs may be as low as £3,000 per entrance, with relatively low ongoing revenue maintenance costs. Height barriers do, however, prevent access by coaches, mini buses and other high sided vehicles, other than by special arrangement, and any area unprotected which is subsequently set aside for coaches would remain at risk of occupation by unauthorised encampments. Height barriers would prove problematic at both the Station car park and Agricultural Business Centre, again because of shared access rights and the high volume of coaches and other vehicles received at each site, though it would be feasible to consider such measures for the Temple car park, with the support of the Parochial Church Council and school. There would need to be special arrangements put in place with organisations such as the Outward Bound Trust, DCC Outdoor Education Services and others, who arrange for visits by minibus to the adjoining Derbyshire lead mine, in much the same way as local canoe clubs currently gain access to the waterside at Artist Corner car park. It should be noted, however, that dealing with access restrictions at Temple car park in isolation will have an adverse effect on deterring unauthorised encampments at other remaining unrestricted sites. Whilst the unauthorised use of publicly owned land by Gypsies and Travellers is clearly a cause for concern, on balance it is considered that the disadvantages of introducing a height barrier on Temple car park outweigh the advantages. It is, therefore, recommended that none of the options considered above be implemented.

2.54 The District Council has in the past, been criticised for failing to use Civil Parking Enforcement (CPE) powers when dealing with unauthorised encampments on public car parks. Those powers are limited to dictating how a public car park may be used by visiting motorists and allow for a financial penalty to be imposed for minor contraventions, which may be subsequently challenged or appealed. CPE powers adopted by Derbyshire authorities do not allow for the removal of vehicles from a car park and is considered, therefore, to be a counterproductive measure in seeking the removal of unauthorised encampments.

3 RISK ASSESSMENT

Legal

- 3.1 The District Council is seeking to address the lack of authorised Gypsy and Traveller Sites within the District to meet its duties under the Planning Policy for Traveller Sites 2015.
- 3.2 The Report seeks to reduce the number of unauthorised encampments within the District by endorsing the principle of a Gypsy and Traveller Site at Watery Lane, Ashbourne to meet an identified local need for a permanent authorised site. Subject to consideration of any representations received in respect of the Pre-Submission Draft Local Plan the District Council will assist in securing the site by exploring funding options and engaging with the County Council and DCLG. The legal risk is, therefore, considered low.

Financial

- 3.3 As indicated in the report, the median cost of developing a new Traveller pitch in the Midlands was £112,128. In order to progress the permanent provision of a site for Gypsies and Travellers, further detailed work is required in order to ascertain precise cost estimates for further consideration and discussion with DGLG regarding the possibility of grant funding.
- 3.4 Should Members approve the recommendations of this report, a further report will be presented to Council in Spring 2017 reporting on the outcome of the above.

The financial risk arising directly from this report is, therefore, assessed as low.

4 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

5 CONTACT INFORMATION

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6 BACKGROUND PAPERS

Letter from the Chief Executive to the Rt. Hon. Sir Patrick McLoughlin, MP regarding Gypsy and Traveller Site Funding	September 2016
Derbyshire Dales Pre-Submission Draft Local Plan	August 2016
Department for Communities and Local Government - Planning Policy for Traveller Sites	August 2015
Derbyshire, Peak District National Park Authority and East Staffordshire Gypsy and Traveller Accommodation Assessment	June 2015
Planning Application 15/00181/FUL – Land at Watery Lane, Ashbourne	June 2015
National Planning Policy Framework	March 2012

7 ATTACHMENTS

Appendix 1 : Site Location Plan

Appendix 1 : Land at Watery Lane, Ashbourne



COUNCIL
29 SEPTEMBER 2016

Report of the Head of Resources

ANNUAL TREASURY MANAGEMENT REVIEW 2015/16 & UPDATE TO TREASURY MANAGEMENT STRATEGY

PURPOSE OF REPORT

This report:

- Determines the Annual Review of Treasury Activity during 2015/16;
- Sets out the Prudential & Treasury Indicators for 2015/16;
- Seeks a change to the strategy for Financial year 2016/17;
- Advises Members of a change to our advisors from 1 October 2016.

RECOMMENDATIONS

1. That the Treasury Management Annual Review be approved;
2. That the Treasury Management Prudential & Treasury Indicators be approved;
3. That the Treasury Management Strategy for 2016/17 be amended to include investments in Certificates of Deposit (CD's);
4. That Members note the change in Treasury Management advisers to Arlingclose from 1 October 2016.

WARDS AFFECTED

All

STRATEGIC LINK

The above recommendations contribute to all of the Council's Corporate Plan Priorities

1. REPORT

1.1 TREASURY MANAGEMENT ANNUAL REPORT

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2015/16 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 05/03/2015)

- a mid-year (minimum) treasury update report (Council 19/11/2015)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Corporate Leadership Team before they were reported to the full Council. Member training on treasury management issues was undertaken during the year in order to support members' scrutiny role.

1.2 The Economy and Interest Rates

Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.

These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in 2015/16 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.

The ECB commenced a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015.

As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.

The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

1.3 Overall Treasury Position as at 31 March 2016

At the beginning and the end of 2015/16 the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

TABLE 1	31 March 2015 Principal £000s	2014/15 Rate/ Return	31 March 2016 Principal £000s	2015/16 Rate/ Return
Total debt	£5,606	4.1%	£5,606	4.1%
CFR	£7,901		£7,325	
Over / (under) borrowing	(2,295)		(1,719)	
Total investments	£5,030	0.5	£7,257	0.4
Net debt	£576		(£1,651)	

1.4 The Strategy for 2015/16

The expectation for interest rates within the treasury management strategy for 2015/16 anticipated low but rising Bank Rate, (starting in quarter 1 of 2016), and gradual rises in medium and longer term fixed borrowing rates during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back.

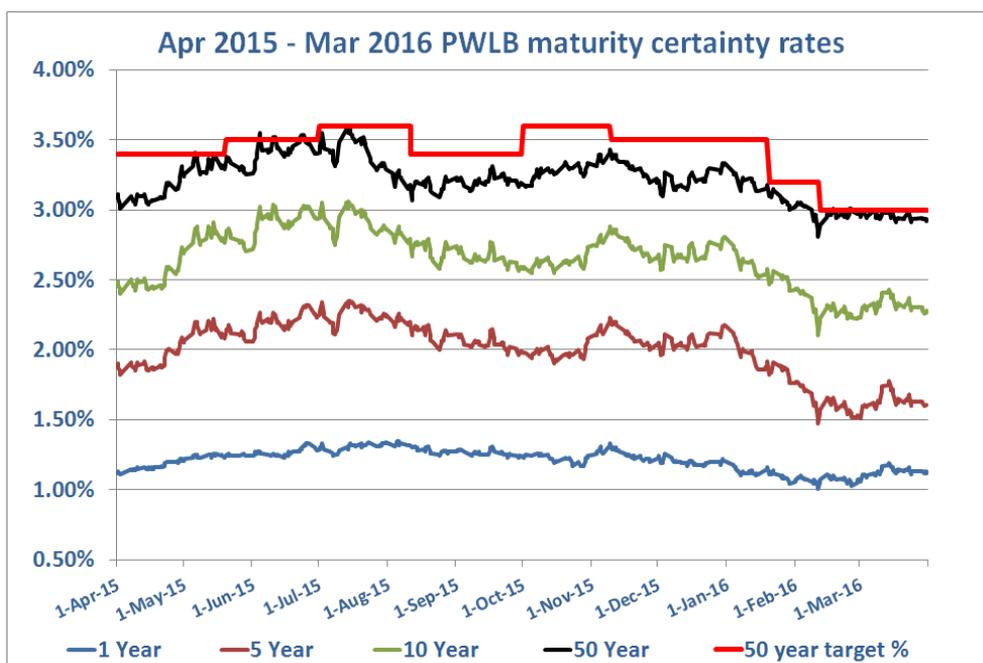
1.5 The Borrowing Requirement and Debt

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2015 Actual £'000	31 March 2016 Budget £'000	31 March 2016 Actual £'000
CFR General Fund (£m)	7,901	7,325	7,325

1.6 Borrowing Rates in 2015/16

PWLB certainty maturity borrowing rates - the graph below shows how PWLB certainty rates have fallen to historically very low levels during the year.



1.7 Borrowing Outturn for 2015/16

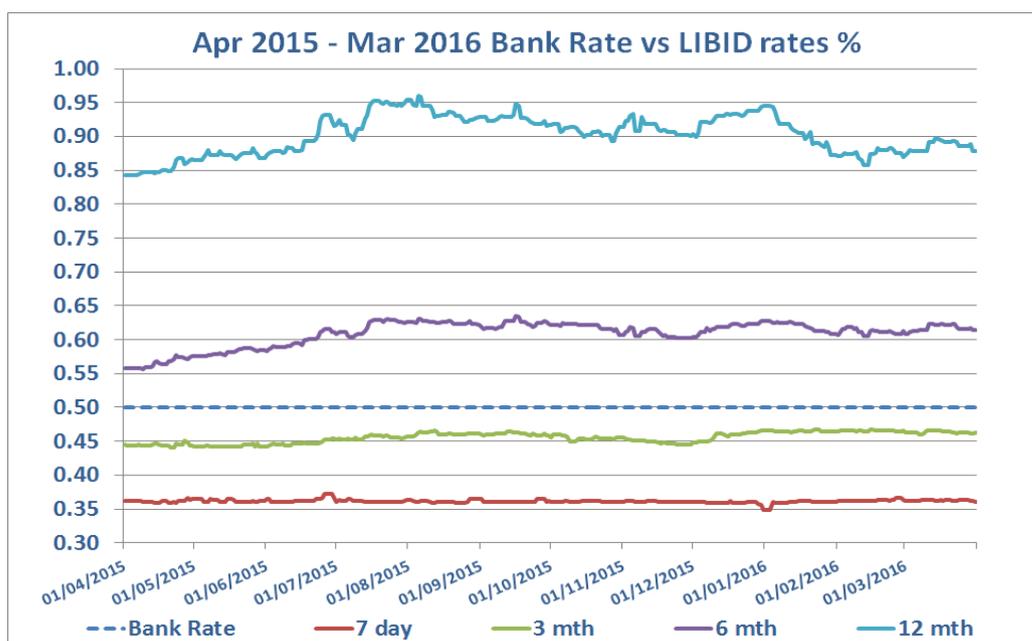
Borrowing

Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

1.8 Investment Rates in 2015/16



Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when Bank Rate would start rising.

1.9 Investment Outturn for 2015/16

Investment Policy – the Council’s investment policy is governed by CLG guidance, which has been implemented in the annual investment strategy approved by the Council on 3rd March 2016. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Investments held at 31st March 2016:

Investment	Amount Invested £'000	Rate earned
Natwest Bank	910	0.25*
Lloyds	3,347	0.40
Handelsbanken	3,000	0.45
	Average Rate of Interest	0.40

Note: Natwest rate dropped from 0.5 to 0.25 (28th November 2015)

1.10 Change to the Strategy for 2016/17

Due to the continuation of depressed investment earnings for another year, the council needs to pursue new investment options for generating higher returns. It would therefore be beneficial to change the strategy for 2016/17 to include investment in:

- Certificates of Deposits

Certificates of Deposit (CD's) are a negotiable form of fixed deposit, ranked equally with fixed deposits. The difference is that you are not obligated to hold the CD to maturity, you can realise the cash by selling in the secondary market. The benefit of having liquidity in the CD market cannot be ignored. Advantage can be taken of liquidating a lower yielding investment to re-invest the funds in a higher yielding CD, either with the same counterparty or with a counterparty that has a better credit rating to efficiently manage counterparty exposure. There are some UK banks that do not accept fixed deposits, but nearly all will issue CD's.

CD's are issued in every period from 1 month to 5 years. The dealing process is very closely aligned to how you would arrange to transact a fixed deposit.

1.11 Change in Treasury Advisors

A group tender exercise was undertaken during July & August 2016 with North East Derbyshire, Bolsover & Chesterfield Councils, to appoint treasury advisors. Our current contract with Capita Asset Services expires on 30th September 2016. After evaluation of the

tenders the 3 year contract has been awarded to Arlingclose. This is due to commence on 1st October 2016.

2. RISK ASSESSMENT

2.1 Legal

This report sets out the compliance with the Local Government Act 2003, supporting Regulations, CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. A procurement exercise has also been carried out to jointly appoint Arlingclose. The legal risk is therefore low.

2.2 Financial

The financial risks are set out in the body of the report. The overall risk is assessed as medium.

2.3 Corporate Risk

This strategy sets in place a proposed structure and systems that place security of investments above yield. The risk is therefore assessed as low.

3. OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4. CONTACT INFORMATION

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5. BACKGROUND PAPERS

None

6. ATTACHMENTS

APPENDIX 1: Prudential & Treasury Indicators

Appendix 1: Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2014/15	2015/16	2015/16
Extract from budget setting report	actual	original	actual
	£'000	£'000	£'000
Capital Expenditure			
Non - HRA	£2,358	£2,900	£1,744
TOTAL	£2,358	£2,900	£1,744
Ratio of financing costs to net revenue stream			
Non - HRA	9.18%	9.27%	9.15%
Gross borrowing requirement General Fund			
brought forward 1 April	£7,845	£7,384	£7,384
carried forward 31 March	£7,384	£6,898	£6,898
in year borrowing requirement	£0	£0	£0
Gross debt	£7,384	£6,898	£6,898
CFR			
Non – HRA	£7,901	£7,325	£7,325
TOTAL	£7,901	£7,325	£7,325
Annual change in Cap. Financing Requirement			
Non – HRA	£549	£576	£576
Incremental impact of capital investment decisions	£ p	£ p	
Increase in council tax (band D) per annum	£1.30	£0.00	

2. TREASURY MANAGEMENT INDICATORS	2014/15	2015/16	2015/16
	actual	original	actual
	£'000	£'000	£'000
Authorised Limit for external debt -			
borrowing	£11,000	£11,000	£11,000
other long term liabilities	£ 3,000	£ 2,000	£ 2,000
TOTAL	£14,000	£13,000	£13,000
Operational Boundary for external debt -			
borrowing	£ 8,000	£ 8,000	£ 8,000
other long term liabilities	£ 2,000	£ 2,000	£ 2,000
TOTAL	£10,000	£10,000	£10,000
Actual external debt	£5,606	£5,606	£5,606
Upper limit for fixed interest rate exposure			
Net principal re fixed rate borrowing / investments	100 %	100 %	100 %
Upper limit for variable rate exposure expressed as either:-			
Net principal re variable rate borrowing / investments	30 %	30 %	30 %
Upper limit for total principal sums invested for over 364 days (per maturity date)		£2,000	

Maturity structure of fixed rate borrowing during 2015/16	upper limit	lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and within 50 years	100%	0%

COUNCIL

29th September 2016

Report of the Head of Resources

CONSULTATION ON BUSINESS RATES RETENTION AND THE FAIR FUNDING REVIEW

SUMMARY

This report informs Members of government consultation on Business Rates Retention and Fair Funding, and the Council's responses.

RECOMMENDATION

1. That the responses to the Consultation Papers, as given in Appendices 1 and 2, be noted.

WARDS AFFECTED

All Wards

STRATEGIC LINK

The amount of business rates that is retained by the Council has serious implications for the Council's finances, and therefore potentially has a significant impact on the Council's ability to deliver its Corporate Aims and Objectives.

1 BACKGROUND

- 1.1 In the 2015 Spending Review the Government announced that local authorities would be able to retain 100% of their business rates income by the end of the current parliament. The Government subsequently issued two consultation papers in July 2016:
 - Self-sufficient local government: 100% Business Rates Retention
 - Fair Funding Review: Call for evidence on Needs and Redistribution
- 1.2 Both are very open consultations with the emphasis on getting responses and contributions from local government and other stakeholders. Consequently it is difficult to get a clear idea of the policy decisions the Government is likely to take. In fact, there is very little in the consultation papers beyond the papers that have already been submitted to the steering group and working groups. The open consultation also shows that officials have not had enough time to develop a more fully worked-out set of proposals; this consultation paper comes very early in the development process.
- 1.3 The Government is still open to tailoring the new system to local needs. The Secretary of State says in the introduction, "we will not impose a one-size-fits-all solution across the country". It leaves open the strong possibility of different arrangements across the country, especially in devolved areas (i.e. combined authority, elected mayors, London).
- 1.4 Responses to the consultation papers are required by 26 September 2016. The

District Council's responses, which were prepared in consultation with the Council Leader and Deputy Leader in time to meet the deadline, are given in Appendices 1 and 2.

- 1.5 More technical papers will be issued over the autumn. A bill will be published at the beginning of 2017 and introduced later in the parliamentary session. The start date for 100% retention is still given as "the end of the parliament": we assume this means either 2019/20 or 2020/21.

2 REPORT

2.1 The current system

The current business rates retention arrangements were introduced in 2013/14. Since then, 50% of business rates have been paid over to central government with the remaining 50% (subject to tariffs, top-ups, levies, safety nets and pooling: see below) being retained by local authorities (40% by Derbyshire Dales District Council, 9% by Derbyshire County Council and 1% by Derbyshire Fire & Rescue Service). The 50% that is passed to the Government is redistributed to local authorities as Revenue Support Grant and other grants.

- 2.2 The system of tariffs and top-ups is used to equalise funding across local authorities. If these mechanisms were not in place the local authorities with the largest rate bases would have far too much income, while other local authorities with the lowest rate bases would not receive enough income to fund their services. The government sets a needs target (the baseline funding assessment) for each local authority. If a local authority collects business rates above its needs target, then it has to pay a tariff; if a local authority collects less than its target, it receives a top-up. Derbyshire Dales District Council collects more than its needs target and, therefore, pays a tariff. The baseline funding assessments have not been fundamentally recalculated since 2013/14 (though they have been adjusted for inflation); some local authorities have argued that they no longer reflect current needs.

- 2.3 The system of safety nets and levies acts to protect local authorities where there is a significant fall in business rates income in any one year e.g. caused by the closure of a major business. The safety net comes into effect if a local authority's business rate income falls below 92.5% of the baseline funding assessment. A levy is payable when a local authority collects more business rate income than the baseline funding assessment set by the Government. In 2014/15 Derbyshire Dales District Council paid a levy of £289,000. In 2015/16, the Council joined the newly-formed Derbyshire Business Rates Pool. Under the pooling arrangements, the levy that would have been paid to the Government is paid to the pool instead and is then redistributed back to members of the pool based on an agreed formula.

2.4 Consultation Paper on 100% Business Rates Retention

The key points of the consultation paper are:

- a. **Basic structure** - The Government has signalled that it is minded to retain the basic structure of the current system: there will be needs and rates baselines; redistribution using something akin to top-ups and tariffs; and protection for large reductions in business rates in an authority. However, the Government

has decided that levies will disappear. The reasoning is that their removal will incentivise growth; however, it will hugely favour those authorities with the largest tax-bases and the highest growth and could potentially create an imbalance within the system.

- b. **Redistribution** - It is important to note that 100% rate retention will operate for local government as a sector. Individual authorities will not necessarily keep 100% of their rates: top-ups and tariffs means that business rates will be redistributed around the country. The Government is looking to minimise the redistribution of rates that occurs through top-ups and tariffs: to achieve this will potentially require bespoke transfers of responsibilities, as well as changes in the retention rates for different tiers. It might also require combined authority settlements.

The top-ups and tariffs that each local authority could expect to see will be calculated before the new system is introduced, based on the Fair Funding Review (explained later in this report) and an assessment of their expected business rates income. These will be fixed between resets.

Some form of redistribution is inevitable because there are such large variations in needs and resources across the country. The Government wants to minimise the redistribution that takes place (through top-ups and tariffs) without financially disadvantaging any authorities. Any future system will be similar to the current one, but the transfers could be minimised depending on which services are transferred to local government and the retention rates for each tier. The Government is interested in exploring how a system can be established that minimises the redistribution of rates, while ensuring that areas are not put at a significant disadvantage through collecting less business rates income.

- c. **Devolution** adds an additional aspect to the reforms, and could potentially lead to different arrangements in the devolved areas. Pilots are being set up in Greater Manchester and Liverpool City Region to explore how 100% retention might work.
- d. **Fiscal neutrality** - A key principle in the move to 100% retention is that it must be “fiscally neutral”. As the amount retained by local government increases, there will have to be a transfer of responsibilities and funding to local government. The additional business rates income is referred to as the “quantum”. Estimating this “quantum” is surprisingly difficult. Although business rates is a relatively stable tax (at least at the national level), forecasting its yield in 3-4 years’ time has to take into account a number of variables, particularly the impact of inflation-linked increases in the multiplier and cuts in local government funding.
- e. **Transfer of services** - The Government wants to ensure that the services that transfer are appropriate to local government, and a list of criteria has been

proposed to assess proposed services against. These are largely sensible criteria that focus on building on the strengths of local government, driving economic development, and improving outcomes for local people and services users. Furthermore, the Government wants to ensure the transfer is sustainable in financial terms. Services with demand-led pressures (e.g. social/healthcare) are less likely.

Most of the services being transferred are upper tier services. For unitary authorities this is of no importance, but in two-tier areas it suggests that the retention rate will increase in favour of county councils.

f. Impact on government grants

Revenue Support Grant and Rural Services Delivery Grant will be transferred (i.e. they will no longer be paid as a grant by central government but funded locally from business rates).

In theory the Government applies its “new burdens doctrine” to any new services or functions that transfers to local government; its intention being to ensure that any transfers are fully funded. In this consultation paper, the Government seeks views on whether the doctrine should be applied after the introduction of 100% rate-retention (i.e. that the Government would fund any new services transferred to local government through section 31 grants).

- g. Rewarding growth and sharing risk** - The Government has made it clear that it wants to increase the rewards and incentives for growth. It has already announced that the levy will be abolished under 100% retention. This will have a significant impact on the operation of the system. It will allow some authorities with large and growing rate-bases to retain a potentially very large share of future growth.

In practical terms, the Government is looking to create a system where risk is shared and where authorities are protected from business rates volatility and shocks. (Note that under the current system the safety net is funded from the levy; in future it will have to be funded from a deduction from all authorities.)

- h. System Resets** - To ensure that the imbalance between authorities is checked, the Government is planning to use resets to the system. The frequency and depth of a reset governs how effective it is at redistributing growth. More frequent and deeper resets will limit the amount of growth that authorities can keep over a period of time; for authorities with below-average growth, this would be the preferred approach. Of course those with above-average growth will be looking for less frequent resets so that they can retain the growth in business rates that has been generated.

Three options have been suggested for the frequency of resets:

- Full reset of the system, including all achieved growth, frequently (e.g. every 5 years);
- Reset the system, including all achieved growth, infrequently (e.g. every 20 years) or never;

- A partial reset of the system on a frequent basis.

Under a partial reset, a proportion of growth would be included in the reset and a proportion would remain with the authority for the long term. Essentially the Government is asking for views from local government about the trade-off between the incentives for authorities to expand their business rate-base, and the supporting authorities whose rates are declining (or growing by less than average).

- Impact of revaluations** - The next revaluation will be implemented in 2017/18. Its effect nationally will be an increase in rateable values and an offsetting reduction in the national multiplier. Nationally there will be no change in the yield from business rates. There will, however, be changes at local authority level. Broadly speaking, revaluation will increase rateable values (and the local yield) where there has been above-average economic growth.

In 2017/18 the Government will adjust local authority baselines to take account of the local change in yield. No authority will gain or lose directly from revaluation. The Government is consulting on whether this should be a standard feature for future revaluations under 100% retention.

The more challenging concern for authorities in respect of revaluation is the impact of appeals. A new rating list will result in a fresh round of appeals from businesses whose rateable values have increased.

- Combined authorities** - The Government is clearly interested in exploring the role of combined authorities. Two options are explored in this consultation paper:
 - The combined authority should have a role in determining how business rates growth is used.
 - There will be a single rates and needs baseline for the whole combined authority area. This would replace the baseline for individual local authorities within that area. Such an approach would give the combined authority – and potentially the elected mayor – control over how all the bulk of resources that were allocated to local authorities. A local funding formula would almost certainly be needed, and it would fundamentally change the relationship between the local authority and combined authority.
- Tier splits** - In two-tier areas, such as Derbyshire, district councils retain 40% of business rates, county councils 9% and fire authorities 1%. The Government is clearly exploring the possibility of changes to the tier splits, both to get a better balance of risk and reward, and to reduce the transfers required to equalise the system. Any proposed tier splits should take into account the services that are expected to be delivered by each tier of government.

- l. Fire authorities** retain only a very small proportion of local rates (1%). The Government is considering removing fire authorities from rate retention (after 2019/20) and instead giving them grant funding. Arguments in favour of doing so are that it will make budgeting more simple for fire authorities, and there is very little link between business rates and the functions of fire authorities. Some fire authorities will disagree because they are benefitting from growth (even if only a small amount) and may have invested in relationships to support businesses. Fire authorities might also want to explore other sources of taxation funding that are better aligned with fire functions.
- m. Enterprise Zones** - The Government's view is enterprise zones will not be affected by the move to 100% retention. However, the consultation paper seeks views on whether enterprise zones should be given additional incentives.
- n. Sharing risk** - Moving to 100% retention will increase the risks to which authorities are exposed. Whilst there are some mechanisms to help deal with the risk (e.g. the safety net), the volatility and unpredictability has made it difficult to plan with any certainty. The Government is exploring various ways of removing some risks from authorities (central list, changes in rating definitions, appeals) whilst ensuring authorities retain the risk for general business growth or contraction.
- o. Ratings lists** – Some rateable properties (hereditaments) are held on a central list, rather than on the local list that is administered by the District Council. These include the network property of major transport, utility and telecommunications undertakings and cross-country pipelines. It can be argued that some types of business are better suited to the central list than local lists and that their inclusion on the central list would increase or decrease the risk, depending on local factors. These might include power stations, oil refineries and national airports. Whilst these proposals clearly have benefits in terms of risk, for those authorities expecting to benefit from future growth in these types of business (particularly airports) these proposals will not be popular. Area-based lists are also proposed (for combined authorities) to help deal with the larger risks: the cost of any reductions or closures would still be met locally, but could be shared across a wider financial base.
- p. Helping to manage 'appeal risk'** - Appeals have been the single biggest risk for authorities in managing the retained rates system. The Government is exploring options for sharing the cost and risk of appeals, although it stresses no option will be perfect and authorities will still have to make a provision for future potential losses from appeals. The options are:
- Local authorities continue to manage the risk;
 - Local authorities share risks at an area level;
 - Risks are managed at the national level.

No approach is likely to remove the need for local authorities to make provision for losses and any option will need to be funded from within the overall business rates system.

- q. **Insulating against shocks** - The Government supports the idea of continuing to have a safety net to protect authorities from large reductions in business rates. They are exploring the potential to set the safety net at an area level. The disadvantage of an area-based safety net is that it would only be triggered if rates reduced across the whole area. Under the current system, an authority with a large reduction in rates is much more likely to get safety-net support, particularly district councils. Sharing risk does not result in reducing risk; it simply widens the financial base over which losses are covered.
- r. **Local tax flexibilities** - The Government intends to provide local authorities with powers that will give local authorities the ability to tailor the business rates regime to fit their local economic environment and enable the local authority to become more self-sufficient in terms of their finances. For instance, a reduction in the multiplier could support local businesses or attract new ones; an increase could be used to invest in local infrastructure requirements.

The new powers set out in the consultation paper are:

- the ability to reduce the business rates tax rate (the multiplier), and
- the ability for Combined Authority Mayors to levy a supplement on business rates bills to fund new infrastructure projects, provided they have the support of the business community through the Local Enterprise Partnership.

The paper also seeks views on the ability to charge an infrastructure levy.

- s. **Accountability and accounting** - The Government recognises that from 2020 local government will be largely funded from locally raised taxation. It also recognises that part of the problem is the annual financial settlement which gives central government control over funding, and reduces the certainty of funding for local government. Changes in the balance of funding, and the creation of new combined authorities and elected mayors, could require a change in the balance of accountability between central and local government.

The consultation paper sets out changes that are required to how local authorities account for business rates income. The collection fund – which is still required – does not easily allow authorities to recognise and spend income in the year in which it is collected. A requirement to set a balanced budget will remain, but the challenges in doing so – and in estimating future income accurately – will become more difficult.

2.5 The Fair Funding Review

Alongside the consultation on 100% business rate retention, the Government has also issued a consultation on needs and redistribution. It deals with some of the very high-level principles around needs and redistribution, and precedes a more detailed consultation on needs principles in autumn 2016. It is expected that a final consultation on the formulae will be issued in summer 2018, in time for implementation in either 2019/20 or 2020/21.

2.6 A needs assessment for each authority will remain a fundamental part of the funding system once 100% rate retention is introduced. The Government will continue to measure the ability of each local authority to generate local taxation and its needs. Through the business rate retention system, the balance will be equalised through tariffs and top-ups, or something similar.

2.7 The Fair Funding Review considers the following issues:

- (1) **Complexity v simplicity** – The Government is asking for views about the balance between simplicity and complexity in the design of formulae. The current system is complex with the system of tariffs, top ups, safety nets and levies. There are significant risks for some authorities, e.g. for small local authorities faced with the closure of a large business in their area. However, a simpler system will benefit some authorities and not others. The impact on individual local authorities will not be known until more detailed work is done and the exemplifications of various options are issued.
- (2) **Assessment of need** - Different types of needs assessment have been used in recent years. The challenge is to create a system that is relatively simple but that provides funding that is sufficient to meet a local authority's needs. This is particularly difficult where there are demand led services that fluctuate significantly. It has been argued that using past expenditure as the basis for decisions on funding future services should be avoided. For a local authority such as Derbyshire Dales District Council, it is important that the needs assessment takes account of the additional costs of providing services in rural and sparsely populated areas.
- (3) **The treatment of growth in local taxes** – The government is seeking views on how they should take into account the growth in local council taxes since 2013/14. The way that the Government takes resources into account is very important. Even re-basing the current mechanism to something approximating actual council tax income will transfer funding from high-taxbase to low-taxbase authorities. The argument for regular re-basing of council tax income is that it is local government's largest income source. The counter-argument is that local authorities should be incentivised to increase their council tax income (e.g. by building more homes), and that it should be treated in a similar way to business rate growth. In practice, both of these points can be accommodated in a new system, and in the current political climate it is unlikely that we will go back to annual equalisation of council tax. What we do need is greater predictability about how council tax will be taken into account in future funding allocations.
- (4) **The geographical level at which need is measured** - Again the Government is exploring the extent to which the funding system could operate at a combined authority level rather than existing local authorities. The advantages could be significant for central government (it would have to operate a much less complicated system), but it would mean giving up the current control that it has over individual authority funding. For local government itself, having funding decisions at combined authority level would represent a fundamental change: there would have to be local funding formulae, for instance. In practice it would almost certainly require strong political leadership locally to deliver (e.g. through an elected mayor). One result of such a change would be much greater differences in funding for similar services across the country (as we saw when school funding was determined locally).

- (5) **Resetting the needs assessment** - It appears to be the Government's objective that any reset of need is undertaken alongside any resets in retained rates. There is some logic to this: changes in baselines are limited to, say, every 5 years, but this would be less acceptable if business rates resets were longer than 5 years. Also, there is no reason why needs and business rates cannot be reset independently and at different times.

2.8 The Council's response to the consultations

The District Council's response to each consultation paper is given in Appendices 1 and 2. The Council is a member of SPARSE Rural and the Rural Services Network, who have issued draft responses to the consultation papers, and these have been reflected in some of the Council's responses.

3 RISK ASSESSMENT

3.1 Legal

There are no legal risks arising from this report.

3.2 Financial

As stated in the "strategic link" contained in this report, the amount of business rates that is retained by the Council has serious implications for the Council's finances. The financial risk is assessed as "high".

3.3 Corporate Risk

The financial risk as described above may have significant implications for the Council's ability to deliver its priorities, and to provide services at the current levels. The corporate risk is, therefore, high.

4 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

5 CONTACT INFORMATION

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6 BACKGROUND PAPERS

DCLG consultation Papers:

<https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/534956/Discussion_document_-_Needs_and_Redistribution.pdf

Email from SPARSE Rural and the Rural Services Network, dated 12/09/2016, "DRAFT RESPONSE TO BUSINESS RATES CONSULTATIONS".

7 ATTACHMENTS

- Appendix 1 Response to Business Rates Consultation Paper (to follow)
- Appendix 2 Response to fair Funding Review (to follow)

COUNCIL
29 SEPTEMBER 2016

Report of the Head of Resources

APPOINTMENT OF EXTERNAL AUDITOR

PURPOSE OF REPORT

This report seeks Members' approval to opt into the appointing person arrangement for the appointment of external auditors for the accounts from 2018/19 onwards.

RECOMMENDATION

That Members agree to opt into the appointing person arrangement being developed by Public Sector Audit Appointments Limited (PSAA) for the appointment of external auditors for the accounts from 2018/19 onwards.

WARDS AFFECTED

None

STRATEGIC LINK

The services provided under this contract will support the District Council's values to be open and transparent when making decisions and to use public resources ethically and responsibly.

1. REPORT

- 1.1 In July 2016, the Secretary of State for Communities and Local Government confirmed that Public Sector Audit Appointments Limited (PSAA) has been specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 (the 2014 Act) and the Local Audit (Appointing Person) Regulations 2015. This means that PSAA will make auditor appointments to relevant principal local government bodies that choose to opt into the national appointment arrangements that they are developing, for audits of the accounts from 2018/19.
- 1.2 Current auditor appointments are made under the audit contracts previously let by the Audit Commission and now managed by PSAA under transitional arrangements. For local authorities, these audit contracts will end with the completion of the 2017/18 audits.
- 1.3 A top priority for PSAA in developing the new scheme will be to ensure they are able to make independent auditor appointments at the best possible prices. They state that they will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration or joint working initiatives.
- 1.4 PSAA are currently working on the details of the scheme, including a timetable, and will provide further information over the coming months.
- 1.5 Over the next few months all principal authorities will need to decide how their auditors will be appointed under the new requirements. They may make their auditor appointment themselves, or in conjunction with other bodies. Or principal local government bodies can take advantage of the national collective scheme that PSAA is developing, which

should pay dividends in terms of quality, cost, responsiveness and convenience.

- 1.6 New appointments, for the 2018/19 accounts for principal local government bodies, must be made under the provisions of the 2014 Act and confirmed by 31 December 2017.
- 1.7 The date by which principal local government bodies will need to opt into the appointing person arrangement is not yet finalised. The aim is to award contracts to audit firms by June 2017, giving six months to consult on appointments with authorities before the 31 December 2017 deadline. PSAA anticipate that invitations to opt in will be issued before December 2016.
- 1.8 The Local Audit (Appointing Person) Regulations 2015 require that a principal authority may only make the decision to opt into the appointing person arrangement by the members of the authority meeting as a whole.
- 1.9 Officer Comment:

It is recommended that the Council opts into the appointing person arrangement being developed by Public Sector Audit Appointments Limited (PSAA) for the appointment of external auditors for the accounts from 2018/19 onwards. This is because it offers:

- Independence & objectivity
- Responsiveness and convenience;
- Quality;
- Value for money
- Transparency
- Consistency with other local authorities.

2. RISK ASSESSMENT

2.1 Legal

The Local Audit and Accountability Act 2014 set out the procedure for the appointment of auditors and Public Sector Audit Appointments Limited has been specified as an appointing person to procure and appoint auditors through a national scheme. The legal risk of implementing the recommendations is assessed as low.

2.2 Financial

The 2016/17 revenue budget includes £54,667 for the appointment of external auditors. It is expected that this provision will be adequate under the new arrangements. The financial risk of implementing the recommendations of this report is assessed as “low”.

3. OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4. CONTACT INFORMATION

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5. BACKGROUND PAPERS

None

6. ATTACHMENTS

None

COUNCIL

29 SEPTEMBER 2016

Report of the Head of Regulatory Services

NORTH DERBYSHIRE AND HARDWICK CLINICAL COMMISSIONING GROUPS – BETTER CARE CLOSER TO HOME CONSULTATION

PURPOSE OF REPORT

This report summarises the proposals contained in the Better Care consultation document issued by North Derbyshire Clinical Commissioning Group and Hardwick Clinical Commissioning Group in June 2016, brings together the responses from Members to the various questions within the document and suggests a composite response to be submitted on behalf of Derbyshire Dales District Council.

RECOMMENDATION

1. That a composite response to the Better Care Closer to Home consultation, as suggested in paragraph 2.10 be agreed;
2. That the Head of Regulatory Services be authorised to submit that response on behalf of Derbyshire Dales District Council.

WARDS AFFECTED

All those within the area covered by North Derbyshire Clinical Commissioning Group.

STRATEGIC LINK

Effective care services support the District Council's vision of a high quality rural environment with people of all ages who are healthy and safe.

1 BACKGROUND

- 1.1 At the Council meeting held on 30 June 2016 Members heard a presentation from North Derbyshire Clinical Commissioning Group (NDCCG) on proposals to change care arrangements throughout the NDCCG area. These proposals were titled 'Better Care Closer to Home'.
- 1.2 Following the presentation some Members expressed concern about the nature of the proposals and it was agreed that a corporate response to the consultation should be compiled and submitted.
- 1.3 Members were emailed a copy of the consultation document on 13 July 2016 and asked to submit their suggested responses to the questions contained within it to the Head of Regulatory Services by close of business on 31 August 2016.

2 REPORT

- 2.1 The Better Care Closer to Home consultation is about services that are currently

provided at 6 community hospitals across the two Clinical Commissioning Group (CCGs) areas. The services being considered are those where older people receive inpatient care in a community hospital, usually after a spell of care at a district general hospital following an illness or accident, and older people with dementia who presently receive services from community hospitals.

- 2.2 The 6 community hospitals that are involved in these services are Bolsover, Cavendish (in Buxton), Clay Cross, Newholme (in Bakewell), Walton (in Chesterfield) and Whitworth (in Darley Dale).
- 2.3 The changes proposed within the consultation fall under 3 broad titles: 'Developing More Community Based Services', 'Community Hospitals' and 'Looking at the Community Hospital Sites in Detail'. Each of these areas is explained in more detail below.
- 2.4 'Developing More Community Based Services' deals with creating 'Integrated Care at Home' teams of health and care workers to care for older people in or near their own homes, providing local 'Beds with Care' in existing residential and nursing homes for older people who need extra support for a short time, making some dementia services easier to use by moving them closer or providing them within the home, introducing 'Dementia Rapid Response Teams' to intervene when an older person with severe dementia is having a crisis, and setting up local 'Community Hubs' to enable the teams to work closely together to provide support to older people near to or in their own homes.
- 2.5 'Community Hospitals' deals with what will happen to the existing community hospitals once the community based services are established. The specific proposals are to permanently close 84 beds at the 6 community hospitals listed in paragraph 2.2 and to replace with 'Integrated Care at Home' teams and 'Beds with Care', to provide specialist rehabilitation beds for older people who are not well enough to go home at Cavendish Hospital and Chesterfield Royal Hospital, to permanently close 20 older persons' mental health beds at Cavendish and Newholme and to replace them with the new 'Dementia Rapid Response Teams', to establish a centre of excellence at Walton Hospital for older people with the severest dementia symptoms, and to close the Dementia Day Units at Bolsover, Newholme and Walton when these services are moved closer to peoples' homes.
- 2.6 'Looking at the Community Hospital Sites in Detail' deals with what might happen to the hospital sites in the longer term. This proposal is to close Bolsover and Newholme when their inpatient and Dementia Day Units have been replaced by alternative or re-provided services.
- 2.7 The consultation identifies the cost of the services and states that it currently costs £22.4M to provide them. It also predicts that the cost of providing these services will rise by £6.8M if nothing is changed.
- 2.8 The consultation asks for views on the proposals and divides the possible responses into 3 categories that relate to each of the proposals. Members have provided suggestions in relation to these responses and their specific comments are detailed in Appendix 1.
- 2.9 It is now proposed that Members agree a composite response and that the Head of Regulatory Services be authorised to submit this response on behalf of the District Council.

2.10 Based on the comments received so far from Members it is suggested that the following response be submitted:

<p>Question: What do you think about this proposal to expand community-based care teams?</p>
<p>The proposal to expand community based care teams is welcomed in principle. However, Members are concerned that the only budget available for this proposal arise from the closure of hospital beds, units and in 2 cases whole hospitals. Members object to this proposal on that basis.</p>
<p>Question: What do you think about this proposal to provide local ‘Beds with Care’ in existing residential and nursing homes in communities throughout North Derbyshire?</p>
<p>In the event that hospital beds that are currently providing this service are closed Members believe that this proposal might offer a facility whereby patients can receive the care they require. However, they do not believe that this proposal is likely to result in a better service than the one that already exists. More information is needed on the proposed location of these facilities before any further comment can be made as to the effect on residents of the Derbyshire Dales.</p>
<p>Question: What do you think about this proposal to close the Dementia Day Unit at Newholme?</p>
<p>Members strongly object to this proposal. Newholme Hospital provides a valued community facility serving a large rural area of the Derbyshire Dales. Without positive proof that the proposal alternative will provide care that is at least as good members cannot support this proposal.</p>
<p>Question: What do you think about this proposal of introducing Dementia Rapid Response Teams?</p>
<p>Members recognise the value of such a service but are concerned that its introduction is proposed only as a result of closing existing community hospital facilities. Whilst the principle of Dementia Rapid Response Teams is supported funding these teams through the closure of facilities is not.</p>
<p>Question: What do you think about this proposal of setting up local ‘Community Hubs’?</p>
<p>The principle of community hubs is supported but members strongly believe that this function is already provided through the Whitworth and Newholme hospitals. Closing facilities at these sites weakens the community provision rather than strengthening it.</p>
<p>Question: With the introduction of community-based care teams and local beds with care, what do you think about this proposal to close beds at Bolsover, Clay Cross, Newholme, Whitworth, Cavendish?</p>
<p>Members strongly object to these proposals without any evidence that the measures to replace them will provide better care.</p>
<p>Question: What do you think about this proposal to provide specialist rehabilitation hospital beds at Cavendish and Chesterfield Royal Hospitals?</p>
<p>Members agree with these proposals as long as they are not at the expense of closing existing community facilities.</p>
<p>Question: With the introduction of Dementia Rapid Response Teams, what do you think about this proposal to close beds at Cavendish and Newholme Hospitals?</p>
<p>Members strongly object to this proposal without evidence that the proposed Teams will be able to provide care to extremely vulnerable people that is at least as good as that they are currently provided.</p>

Question: What do you think about this proposal to establish a centre of excellence at Walton Hospital?

Members agree with this proposal but not at the expense of closing other community facilities.

Question: What do you think about this proposal to close Bolsover and Newholme Hospitals?

Members strongly object to this proposal. As stated throughout this response Members are concerned at the lack of evidence provided to support these proposals. The closure of these facilities is proposed following the withdrawal of services currently provided at them and although it is stated that the alternatives will provide proper care there is no proof that this will be the case. Members believe that Newholme Hospital provides a valued service to a large rural area and that its central location within the northern Dales area means that the services it provides are still viable. Without evidence that the proposals will result in at care that is at least as good as that which is provided via this facility this proposal cannot be supported.

3 RISK ASSESSMENT

Legal

3.1 There are no legal risks arising from this report.

Financial

3.2 There are no financial risks arising from this report.

4 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

5 CONTACT INFORMATION

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6 BACKGROUND PAPERS

7 ATTACHMENTS

COUNCIL
29 SEPTEMBER 2016

Report of the Head of Corporate Services

REVIEW OF PARLIAMENTARY CONSTITUENCIES

PURPOSE OF THE REPORT

This report outlines the Boundary Commission for England's proposals to review Parliamentary Constituencies ahead of the next fixed term UK Parliamentary Election.

RECOMMENDATION

1. That the report is noted
2. That Council considers endorsing and/or improving a written response to the first round of consultation as attached.

WARDS AFFECTED

N/A

STRATEGIC LINK

Whilst no direct strategic link, a good democratic fit to the communities of the Derbyshire Dales is an important consideration in ensuring that the voice of the citizens of Derbyshire is fairly represented.

1. BACKGROUND

- 1.1 The Derbyshire Dales Parliamentary Constituency, established in 2003, comprises the whole of the Derbyshire Dales District plus Wards within Amber Valley Borough Council's area of Alport, Crich and the South West Parishes.
- 1.2 The Boundary Commission for England has the task of periodically reviewing all Parliamentary constituencies in England and is currently conducting a review based on the Parliamentary Voting System and Constituencies Act 2011. The result of the review is likely to include a degree of change to a large number of existing constituencies.
- 1.3 The Act requires there to be a fixed number of 600 constituencies for the whole of the UK. A total of 44 have been allocated to the East Midlands region with each constituency to have an electorate within the statutory range of 71,031 minimum to 78,507 maximum. The electorate of the Derbyshire Dales Constituency as at 1 December 2015 (which is the baseline for the review) is 60,909.
- 1.4 There are a number of factors which the Commission may take into account, specifically:

- Special geographical considerations, including in particular the size, shape and accessibility of a constituency;
- Local government boundaries as they existed on 7 May 2015;
- Boundaries of existing constituencies; and
- Any local ties that would be broken by changes in constituencies.

1.5 The Commission is not able to consider the impact on future election results, new local government boundaries or changes to electorates after the review date.

2. INITIAL PROPOSALS

2.1 The initial proposals were published by the Commission on 13 September and the specific proposal relating to the Derbyshire Dales County Constituency is as follows:

The electorate of the existing Derbyshire Dales constituency, which already covered a large geographical extent, was very low at 60,909 and had to gain further electors in order to meet the electoral range. We propose the inclusion of five wards in the east from the existing North East Derbyshire constituency in order to meet these requirements.

(Extracted from Boundary Commission for England – Initial Proposals for new Parliamentary Constituency Boundaries in the East Midlands – available in full at www.boundarycommissionforengland.independent.gov.uk/2018-review/ip-england/)

The proposed Derbyshire Dales Constituency would, therefore, consist of the whole of the Derbyshire Dales District, the three Amber Valley Wards that are currently included in the Constituency and five Wards from the North East Derbyshire District, being:

- Ashover,
- Barlow and Holmesfield,
- Brampton and Walton,
- Dronfield Woodhouse
- Wingerworth.

The addition of these Wards would add 13,415 electors to the Constituency, based on figures at December 2015.

3. CONSULTATION

3.1 The Boundary Commission Guidance states that the Review will be heavily informed by public opinion and representations on initial proposals will be taken in writing and at regional hearings during a 12 week consultation period. Representations have to say whether they support or oppose the recommendations and, if against, put forward alternative proposals. Initial representations will then be published and a 4 week period will be earmarked to allow comment on those representations.

3.2 The Commission notes that it is important that supports as well as objections are communicated early in the process as previously the Commission has found that

the support only emerged when it had changed its recommendations in response to opposition.

- 3.3 The Proposals may be revised on the basis of representations made and, if so, further consultation in writing will take place. (8 weeks).
- 3.4 A formal report to Government will be made in September 2018 recommending any changes that the Boundary Commission believes are appropriate to the distribution, size, shape, name or designation of constituencies in England. This review is therefore referred to as 'the 2018 Review'.
- 3.5 The recommendations will form the basis of a Bill that, if passed, will come into force for the next General Election after approval.

4. RESPONSE

- 4.1 A proposed response to the proposals will be presented for consideration at the meeting.

5. RISK ASSESSMENT

5.1 Legal

There are no legal implications arising out of this report at the moment as the Boundary Commission are simply consulting on their proposals.

5.2 Financial

There are no financial implications arising directly from this report.

6 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

7 CONTACT INFORMATION

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COUNCIL
29 SEPTEMBER 2016

Report of the Head of Resources

CAPITAL PROGRAMME UPDATE: HALL LEYS CAFÉ, MATLOCK

PURPOSE OF THE REPORT

This report seeks Members' approval for additional capital funding required to undertake works arising from the District Council's Property Condition Survey of Hall Leys Park Café.

This matter is due to be considered by the Governance & Resources Committee on 22 September 2016 and, if approved at that meeting, Council will be requested to approve the inclusion of these amounts in the revised Capital Programme proposals and financing for 2016/17 to 2019/20.

RECOMMENDATIONS

- 1 That the Capital Programme for 2016/17 be increased by £40,000 to finance these works arising from the District Council's Property Condition Survey of Hall Leys Park Café, resulting in a Capital Programme of £5,297,397 for 2016/17, as detailed in Appendix 1;
- 2 That the financing arrangements for 2016/17 be increased by £40,000 to finance these works, as outlined in paragraph 1.4 of the report.

WARDS AFFECTED

Matlock St. Giles

STRATEGIC LINK

The Council's Capital Programme takes into account all the priorities and targets within the Corporate Plan and these are identified in the Capital Strategy.

REPORT

1. BACKGROUND AND INTRODUCTION

- 1.1 This matter is due to be considered by the Governance & Resources Committee on 22 September 2016. If approved at that meeting, Council will be requested to approve the additional £40,000 relating to this capital scheme in the revised Capital Programme proposals and financing for 2016/17 to 2019/20.
- 1.2 The Governance and Resources Committee report is attached to this report as Appendix 2. As explained in the Governance & Resources Committee report:

- the additional costs have only recently been identified;
- to minimise disruption to park users and tenant the works should be undertaken in January 2017;
- to this end tendering needs to be undertaken as soon as possible to obtain the most competitive tenders.

This is why this report is being presented to Council now, rather than waiting for the usual Capital Programme update due to take place in November.

1.3 Revised Capital programme for 2016/17

The proposed Capital Programme for 2016/17, including the additional £40,000 for this project, is summarised below:

Priority	2016/17 Revised Capital Programme
	£
A Thriving District	3,067,642
A Clean and Safe District	1,978,371
Efficiencies and Innovative Working Practices	251,384
	5,297,397

Details of the full capital programme are shown in Appendix 1. The spending proposals shown in the table above are the aggregate of the estimated scheme costs. All estimated grants and contributions have been dealt with as part of the financing arrangements (shown below).

1.4 Revised Financing Arrangements 2016/17

It is proposed that the additional £40,000 is financed from the Capital Programme Reserve. The overall financing package for the revised programme is as follows:

	£	£
Borrowing		0
Capital Receipts		1,028,500
Grants and Contributions:		
Housing – Disabled Facilities Grants		416,000
Use of Reserves:		
Carsington Reserve	35,812	
Vehicle Renewal Reserve	496,694	
Information Technology Reserve	251,384	
Grants Unapplied Reserve (section 106 contributions)	738,000	
Capital Programme Reserve	2,331,007	
		3,812,897
Total		5,297,397

1.4 Capital Programme Proposals for 2017/18 to 2019/20

The Capital Programme Proposals for 2017/18 to 2019/20 are shown in detail in Appendix 1. They are unchanged from those approved at the June 2016 Council meeting.

1.5 Sources of Funding for Capital Programme

The table below shows the impact on the Council's Reserves and Balances of the above proposals:

Reserve	Balance 1 st April 2016	Estimated New Receipts	Used in Capital Programme	Estimated balance 31 st March 2020	Comments
Strategic Reserves (earmarked for capital schemes)	£5,281,783	£1,892,842	£6,098,428	£1,076,197	Mostly earmarked for specific projects
Section 106 Income	£1,520,343	£339,910	£738,000	£1,122,253	Relies on new receipts being attained
Capital Receipts	£2,395,810	£694,000	£2,267,963	£821,847	Relies on new receipts being attained
	£9,197,936	£2,926,752	£9,104,391	£3,020,297	

The table above demonstrates that sources of funding are available to finance this additional expenditure. However, the table also shows that if the capital programme proposals set out in this report are accepted, usable capital receipts will have reduced to £821,847 by 31 March 2020. Furthermore, the table indicates that strategic reserves for capital purposes are diminishing, meaning that fewer resources are available for dealing with unforeseen situations or other issues on the horizon such as the provision of a site for travellers, replacement fitness equipment, replacement play equipment etc.

RISK ASSESSMENT

2.1 Legal

Under the existing lease the Council is responsible for structural repairs. As the Council is carrying out its obligations under the lease, the legal risks are considered to be low.

2.2 Financial

There is adequate funding for the proposed capital programme for 2016/17 to 2019/20. The risk, however, remains high.

A risk assessment of the Capital Programme has been undertaken in the formulation of the schemes. The most significant risks are:

- Forecast capital receipts may not be achieved;
- The danger of overspending on capital schemes with no available finance to meet the overspending;
- Budgets for individual projects may be insufficient when tenders are received;
- There is sufficient funding for Capital schemes to which the council has had a long-term commitment in the current programme. However, the Council's future ability to finance mandatory Capital expenditure, such as Disabled Facility Grants, will need to be kept under review;
- The amount available might be insufficient to deal with unforeseen capital expenditure, for example, if there was a requirement similar to the costs of addressing structural damage at the Memorial Gardens Toilets.

2.3 Corporate

The council will consider that all proposed schemes are achievable and have sufficient resources, including revenue resources, to ensure that the programme is completed and affordable.

3 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4 CONTACT INFORMATION

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5 BACKGROUND INFORMATION

None

6 ATTACHMENTS

Appendix 1: Capital Programme 2016/17 to 2019/20 onwards
Appendix 2: Report to Governance & Resources Committee 22 September 2016

SCHEMES	ESTIMATE 2016/17	ESTIMATE 2017/18	ESTIMATE 2018/19	ESTIMATE 2019/20 ONWARDS	TOTAL 2016/20
	£	£	£	£	£
A Thriving District					
Affordable Housing					
Improvement Grants					
Disabled Facility Grants	416,000	270,000	270,000	270,000	1,226,000
Social Housing Grants					
Taddington	80,000	0	0	0	80,000
Ashford	80,000	0	0	0	80,000
Winster	0	80,000	0	0	80,000
Bonsall	100,000	0	0	0	100,000
Bakwell Lady Manners School	242,000	0	0	0	242,000
Litton	80,000	0	0	0	80,000
Wirksworth Cromford Road	273,000	0	0	0	273,000
Cromford / Matlock Bath	100,000	0	0	0	100,000
Hathersage	200,000	0	0	0	200,000
Matlock - Dimple Site	30,000	0	0	0	30,000
Eyam	80,000	0	0	0	80,000
Dales Housing Garage Sites	110,000	0	0	0	110,000
Tideswell	120,000	0	0	0	120,000
Rural village - affordable housing for rent programme	0	0	250,000	750,000	1,000,000
Temporary Accommodation - Matlock & Ashbourne	120,000	0	0	0	120,000
Business growth and job creation					
Industrial Development					
Blenheim Road - Ashbourne	25,000				25,000
Car Parks					
Ashbourne Shawcroft Car Park Redesign	120,221	0	0	0	120,221
Bakewell ABC strips to sides of Agricultural Way	120,321	0	0	0	120,321
Bakewell ABC drainage & new tracks	54,585	0	0	0	54,585
Matlock - Repair / Resurface Roof Co-op Car Park	64,215	0	0	0	64,215
Replacement of Pay and Display Ticket Machines	136,910	0	0	0	136,910
Bank Road Car Park - Retaining wall repairs	10,000	0	0	0	10,000
Miscellaneous Grants	30,000	30,000	30,000	30,000	120,000
Planning Conservation/Enhancement Grants					
Partnership Grants	5,500	5,500	0	0	11,000
Bakewell Agricultural Business Centre					
Condition Survey Works	8,500	0	0	0	8,500
Carsington Fund Grants	35,812	0	0	0	35,812
Public Offices					
Condition Surveys - Matlock Town Hall	400,578	109,884	62,000	210,000	782,462
Capital Salaries	25,000	25,000	25,000	25,000	100,000
Sub Total - A Thriving District	3,067,642	520,384	637,000	1,285,000	5,510,026

Continued...

COPY OF REPORT TO GOVERNANCE & RESOURCES COMMITTEE 22/09/16

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GOVERNANCE AND RESOURCES COMMITTEE

22 SEPTEMBER 2016

Report of the Head of Resources

CAPITAL EXPENDITURE – HALL LEYS PARK CAFÉ, MATLOCK

PURPOSE OF REPORT

The purpose of this report is to outline additional capital funding required to undertake works arising from the District Council's Property Condition Survey of Hall Leys Park Café and recommend inclusion of these amounts in the revised Capital Programme proposals for 2016/17 to 2019/20 to be considered by Full Council.

RECOMMENDATIONS

- 1 That the Committee notes the results of the condition survey and the fee proposal presented by DCC.
- 2 That an additional £40,000 is requested in the 2016/17 Capital Programme to finance these works.
- 3 .That the business case outlined in this report be referred to Council on 29 September 2016, to be considered for funding alongside other capital scheme business cases and, if approved, capital works identified in Paragraph 1.3 of this report be implemented.

WARDS AFFECTED

Matlock St. Giles

STRATEGIC LINK

The effective maintenance of the Council's property assets contributes to the values and aims of obtaining "value for money" and to "protect and enhance the environment" as expressed in the Corporate Plan 2015/16.

1 REPORT

1.1 Background

The café in Hall Leys Park is a building of timber construction built in the early 1900s. The area of Hall Leys Park within which the café building stands forms part of an area affected by flooding from River Derwent (Flood Zone 3) and was last flooded in 2000 and 2008. Due to the age and construction of the building and the impact the flooding there has been a deterioration of main timbers.

The building was included in the District Council's Condition Survey Programme undertaken in 2009 which suggested that repairs estimated at £30,000 would be required to the property over the current financial year and this sum was included in the Capital Programme.

During the annual closedown of the Café premises in January this year, further hidden problems were identified affecting the floor structure of the building. Following this, an invasive building survey was undertaken by DCC to determine the amount of repair required.

The café is an important feature and is a facility expected in modern parks. The café is vibrant and appears well patronised and run by its current operator. Due to the area being in a flood control area (i.e. it is between the river and flood defence) the Environment Agency is opposed to other buildings being added and this, in itself, increases the amenity value of this property.

The Café is occupied by the current tenant on a six year lease which is due for renewal in October 2016. Lease renewal negotiations are currently underway for a new six year lease, which will reflect the current use of the premises that has changed since the original lease was drafted, and this will improve income.

1.2 Results of Building Survey

An invasive building survey has now been undertaken. It confirmed substantial damage to lower level structural timbers and floor boards by beetle infestation and rot. As the timbers for replacement are at floor level and below, the work is substantial and disruptive and will require closure of the café for the duration of works.

Preliminary works include removal and storage of fittings (including kitchen fittings) and possibly the removal of some internal walls. The works include propping the building, the replacement of floorboards and joists (estimate 50%) and sole plate on the front elevation. The decking will be removed, stored and replaced. A damp proof course will also be added where possible. On completion of the work the tenant's fittings are to be put back in place and any damage to external and interior decorations will be made good.

The works are estimated to take approximately six weeks. To minimise disruption to the park and tenant the works should be undertaken in January 2017. To this end tendering needs to be undertaken as soon as possible to obtain the most competitive tenders.

1.3 Budgeted Costs

The survey resulted in a budget cost of £70,000 inclusive of preliminary works, internal wall removal, a contingency if more than 50% of floor timbers require replacing and fees of 10% for design and specification, procurement and project management to be undertaken by Derbyshire County Council.

It is therefore recommended that an additional £40,000 is requested in the 2016/17 Capital Programme to finance these works.

1.4 Lease Obligations

The current lease of the premises is on “Internal Repairing” terms. Under this lease the Council is responsible for external repairs and repairs to the structure and fabric of the premises. Now that the further defects outlined in this report have come to light, it is the Council’s legal obligation under the terms of the lease to rectify them, hence this report.

Lease renewal negotiations are currently underway for a new 6 year lease which will reflect the current use of the premises which has changed since the original lease was drafted and this will improve income.

Consideration was given to whether a new lease should be granted given the repairs required but it was considered that, although the cost of the work is significant, it would not warrant objecting to a new lease so the relevant Section 25 notice has been served which will allow the new rent to start on 09 October this year. As a result, the payback time for the additional capital investment proposed in this report will be within the period of the new lease.

Consideration has also been given to making the tenant responsible for all repairs but this was rejected because it would have a depressing effect on rental income.

More radical options such as selling the freehold of the premises could be considered by the Council in the future (subject to appropriate consultation including Public Open Space advertising) but the Council’s current repairing obligations forming the subject of this report would need to be complied with first in any case.

2 RISK ASSESSMENT

2.1 Legal

Under the existing lease the Council is responsible for structural repairs. As the Council is carrying out its obligations under the lease, the legal risks are therefore low.

2.2 Financial

The report indicates that an additional £40,000 is required to finance these works. If Members of the Governance & Resources committee agree to approve these works in principle, the item will be referred to the Council meeting on 29th September 2016 for a decision regarding the revision of the capital programme and financing.

The implementation of this proposal has the potential to ensure that the Council continues to receive rental income from this building. The cost of the additional capital investment proposed in this report will be within the period of the new lease.

The financial risk is high, reflecting the risks concerning the financing of the capital programme.

3 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate