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23 May 2018

To: All Councillors

As a Member of the **Council**, please treat this as your summons to attend a meeting on **Thursday 31 May 2018 at 6.00pm in the COUNCIL CHAMBER, TOWN HALL, MATLOCK.**

Yours sincerely



Sandra Lamb
Head of Corporate Services

AGENDA

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

24 May 2018

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. LEADER'S ANNOUNCEMENTS

Announcements of the Leader of the Council.

6. CHAIRMAN'S ANNOUNCEMENTS

Announcements of the Chairman of the District of Derbyshire Dales.

7. COMMITTEES

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

Committee

Non Exempt Minutes to be Received

Council	12 April 2018
Special Council – Public Conveniences	30 April 2018
Special Council – Leisure Review	03 May 2018
Annual Council	24 May 2018
Planning Committee	17 April 2018
Chief Executive Appointment Panel	15 May 2018
Planning Committee	22 May 2018

MINUTE BOOK TO FOLLOW

8. QUESTIONS (RULE OF PROCEDURE 15)

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

Page Nos.

9. ANNUAL GOVERNANCE STATEMENT 2017/18

4 - 25

To consider approval of the Annual Governance Statement for 2017/18 and note the significant governance issues, and the action plan to address them as detailed in the report.

10. PROVISIONAL REVENUE AND CAPITAL OUTTURN 2017/18

26 - 48

To receive a report providing details of the financial outturn for the District Council's Revenue Budget and Capital Programme and consider approval of the recommendations listed in the report. Also, to receive an update on the Medium Term Financial Plan and Efficiency Plan.

11. PERFORMANCE MANAGEMENT – KEY & CORPORATE PERFORMANCE INDICATORS OUTTURN 2017/18

49 - 57

To consider a report summarising the outturn performance against the District Council's Key & Corporate Performance Indicators for the year 2017/18 and consider approval of modifications to the performance targets detailed in the report. Also, to note the Corporate Plan targets and Key Performance Indicators for 2017/18 and where services have been performing strongly and where improvements can be made.

12. BUSINESS RATES DISCRETIONARY RELIEF

58 - 61

To note an update on measures to secure funding for discretionary rate relief to support those businesses delivering additional high-quality jobs in the Derbyshire Dales, and to approve a consultation on proposals that aim to protect local charities and not-for-profit organisations.

13. 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.

NOTE

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

COUNCIL
31 MAY 2018

Report of the Head of Resources and Head of Corporate Services

ANNUAL GOVERNANCE STATEMENT 2017/18

PURPOSE OF REPORT

The Annual Governance Statement gives the Council an opportunity to reflect and report publicly on the extent to which it has complied with its own code of governance. This report seeks approval for the Annual Governance Statement for 2017/18, which is consistent with the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government”, and meets the requirements of the Accounts and Audit Regulations 2015.

RECOMMENDATIONS

1. That the Annual Governance Statement for 2017/18 is approved.
2. That the significant governance issues, and the action plan to address them, be noted.

WARDS AFFECTED

None

STRATEGIC LINK

Preparation of an Annual Governance Statement helps to identify principal risks to the achievement of the Council’s objectives.

1 REPORT

- 1.1 Confidence in public sector governance is of critical importance given the investments by the government and council tax payers in local services. An annual governance statement (AGS) should not be seen as a dry financial requirement, but as an important public expression of what the Council has done to put in place good business practice, high standards of conduct and sound governance.
- 1.2 Councils face intense pressure to deliver unprecedented funding cuts, organisational change and innovation in service delivery while meeting public demands for greater transparency in decision-making and performance. Effective governance is essential if senior officers and members are to meet these exacting challenges. Ironically though, those processes that ensure good governance are at risk from the conflicting demands for reduced spending and a re-prioritisation of resources. Councils must produce an AGS alongside the annual accounts to report publicly on how they have complied with their governance code and describe any governance issues, and explain how they will be addressed.

- 1.3 The Accounts and Audit Regulations 2015 require local authorities to conduct a review of its system of internal control at least once a year, and, following that review, to publish an annual governance statement prepared in accordance with proper practices in relation to internal control. The Annual Governance Statement is attached at Appendix 1. It is consistent with the 2016 CIPFA/SOLACE publication “Delivering Good Governance in Local Government”. The layout of the Annual Governance Statement has been updated to reflect the revised layout of the Council’s Code of Corporate Governance and the CIPFA/SOLACE guidance.
- 1.4 In accordance with proper practice, the Annual Governance Statement must be signed by the Leader of the Council and by the Chief Executive, who must be satisfied that the document is supported by reliable evidence and accurately reflects the Council’s governance arrangements. The role of the Governance & Resources Committee is to be satisfied that the annual governance statement properly reflects the risk environment and any actions required to improve it, and to demonstrate how governance supports the achievements of the authority’s objectives.
- 1.5 The Annual Governance Statement describes the key elements of the governance framework and the process that has been applied in maintaining and reviewing the effectiveness of the governance framework. Section 5 of the Annual Governance Statement identifies significant governance issues and provides an action plan to show how they will be addressed.

2 RISK ASSESSMENT

2.1 Legal

The legal risk has been assessed as low. The Council’s Framework for Corporate Governance requires the Council to put in place effective arrangements for an objective review of risk management and internal control. This Statement helps to satisfy that requirement.

2.2 Financial

The financial risk arising from this report is low.

2.3 Corporate Risk

Councils face intense pressure to deliver unprecedented funding cuts, organisational change and innovation in service delivery while meeting public demands for greater transparency in decision-making and performance. Effective governance is essential if senior officers and members are to meet these exacting challenges. The Annual Governance Statement gives the Council an opportunity to reflect and report publicly on the extent to which it has complied with its own code of governance. This process helps to identify principal risks to the achievement of the Council’s objectives.

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

Karen Henriksen, Head of Resources

Telephone: 01629 761284; Email: karen.henriksen@derbyshiredales.gov.uk

Sandra Lamb, Head of Corporate Services

Telephone: 01629 761281; Email: sandra.lamb@derbyshiredales.gov.uk

5 BACKGROUND PAPERS

Accounts and Audit Regulations 2015

DDDC Code of Corporate Governance September 2015

CIPFA/SOLACE Statement “Delivering Good Governance in Local Government: Framework – 2016 Edition”.

6 ATTACHMENTS

Appendix 1 – Annual Governance Statement 2017/18



ANNUAL GOVERNANCE STATEMENT 2017/18

1. What is corporate governance?

Corporate governance is about making sure that the council is run properly.

It is about trying to achieve the Council's objectives while acting in the public interest at all times. This means carrying out business so that the council:

- operates in a lawful, open, inclusive and honest manner;
- makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
- has effective arrangements for the management of risk;
- secures continuous improvements in the way that it operates.

The Governance Framework is the name given to the main management systems, processes, values and culture which ensure that the Council identifies, develops, delivers and reviews the services it provides, works collaboratively, and engages with and leads the community it serves. It ensures that the Council meets its published objectives whilst also assessing whether those objectives have delivered the services at an appropriate cost. It consists of the systems, controls and procedures that ensure that certain desirable activities happen or that undesirable events are avoided. It cannot and does not set out to eliminate all risks in relation to the failure to deliver policies and objectives as this is neither achievable nor desirable. It can therefore only provide a reasonable level of assurance, based on an assessment of the likelihood and the potential impact of risk to the achievement of the Authority's stated objectives, balanced with the resources available to deliver those objectives.

The Authority has published a Code of Governance which sets out the seven key principles of good governance to which it aspires. It sets out the main principle of good governance and the means of demonstrating compliance for each of these principles. A copy of the current Code is available on the [governance page](#) of our website.

This Annual Governance Statement explains how Derbyshire Dales District Council has complied with its own code of corporate governance and against guidance on best practice*. The processes being reviewed in this Statement have operated throughout the whole of the financial year ending 31 March 2018 and have remained in operation up to the date of approval of the 2017/18 Statement of Accounts. The key elements of the framework which are in place to meet the Council's responsibilities under the Code are set out in the following pages, together with an Action Plan (at the end of this statement) to identify any significant governance issues and explain how the Council will address them.

*The guidance applicable to 2017/18 is the CIPFA/SOLACE publication "Delivering good governance in local government", issued in April 2016.

2. How do we know that our arrangements are working?

Every year a review of the effectiveness of the Council's governance framework is conducted by the Corporate Leadership Team, supported by officers from policy, financial services and legal. Consideration is also given to reports from internal and external audit and from other inspection bodies (e.g. the Local Government Ombudsman's Annual report and findings on individual complaints, Food Standards Agency assessments and peer reviews).

The focus of the review is to:

- collate and evaluate evidence of corporate governance arrangements;
- compare the evidence against the Council's Code of Corporate Governance and the CIPFA/SOLACE guidance*;
- identify areas requiring action, which are highlighted in the Action Plan at the end of this statement.

The governance review process includes:

- The consideration of the Statement of Accounts;
- The Internal Audit Annual Report, which includes the Internal Audit Consortium Manager's opinion on the overall adequacy and effectiveness of the Council's control environment ;
- A review of compliance with the Council's Local Code of Corporate Governance with reference to CIPFA/Solace Guidance.
- Sign off by the Leader of the Council and the Chief Executive, once approved.

On the basis of our internal review of the operation of the Governance Framework and our assessment against the provisions of the CIPFA/SOLACE Code, the arrangements for the 2017/18 financial year have been assessed as **COMPLIANT, with some planned improvements required**. This indicates that, in general, strong systems are in place but that there are some processes where further action is required.

Details of the review are set out in the following pages of this statement.

A success during 2017/18 is indicated by



Areas for improvement are highlighted by



This year **three** governance issues have been identified; the action plan outlined at the end of this statement summarises the areas of governance focus needed to maintain an effective governance framework in respect of these issues.

3. Did we meet the principles of Corporate Governance set out in our Code?

PRINCIPLE 1 - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ We have set out our priorities, aims, vision and values in our Corporate Plan; ➤ Our Codes of Conduct for members and employees set out clearly the standards that are expected, arrangements for reporting non-compliance and sanctions for any misconduct; ➤ Our values have been embedded in policies and processes; ➤ We require external organisations that provide services on behalf of the Council to act with integrity and in compliance with ethical standards expected by the Council ➤ We make sure that employees, and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements; ➤ We strive to optimise the use of the full powers available for the benefit of residents, communities and other stakeholders; ➤ We deal with breaches of legal and regulatory provisions effectively; ➤ We have effective arrangements to deal with incidents involving misuse of power 	<ul style="list-style-type: none"> • Corporate Plan • Elected Member Code of Conduct • Annual Report to Council from the Independent Remuneration Panel on Members Allowances • Employee Code of Conduct • Planning Code of Good Practice • Protocol on Employee/Member Relations – Constitution • Constitution • Sponsorship Policy • Risk Management Strategy • Risk assessment of reports • Annual Complaints Report • Confidential Reporting (Whistleblowing) Policy • Anti-Fraud, Bribery and Corruption Policy • Corporate Enforcement Policy • Regulation of Investigatory Powers Act Surveillance Policy & Annual Report • Protocol on the Management of the Civic Allowance 	<div style="text-align: center;">  </div> <p style="text-align: center;">Our internal audit reviews in 2017/18 have not identified any incidents of fraud.</p> <p style="text-align: center;">We have extensive use of the general power of competence.</p> <p style="text-align: center;">A Commercial Board has been established.</p> <div style="text-align: center;">  </div> <p style="text-align: center;">An internal audit report has identified opportunities to strengthen our arrangements for safeguarding (see action plan)</p> <p style="text-align: center;">A complaint received during 2017/18 questioned the openness of the District Council's procurement process in relation to a high value contract.(see action plan)</p>

	<ul style="list-style-type: none"> • Inductions for new members and employees • Annual Performance and Development Reviews • Complaints Policy • Employee recruitment, interview and selection procedure • Job descriptions • Compliance with CIPFA's "Statement on the Role of the Chief Financial Officer in Local Government" • Records of legal advice provided by officers • Monitoring Officer provisions • Procurement policy • Information Governance Framework and Strategy • Data Protection Policy • Contracts with service providers. • Reports from the Local Government Ombudsman & Annual Report to Governance & Resources Committee • Audit reports issued by Food Standards Agency • Food Law Enforcement Service Business Plan 	
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PRINCIPLE 2 – Ensuring openness and comprehensive stakeholder engagement

How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ Our Committee and Council meetings are open to the public and agendas, reports and minutes are available on our website; ➤ The minutes of our meetings provide clear reasoning and evidence for decisions; ➤ We have a clear policy on information transparency; ➤ On our website we publish key performance indicators, financial information and details of the earnings, interests and activities of our Members and senior managers. ➤ We consult widely on our plans and use feedback to inform our decisions; ➤ We publish our Freedom of Information Policy and procedures. ➤ We operate clear and accessible arrangements for procuring supplies and services. 	<ul style="list-style-type: none"> • Constitution • The Corporate Plan • Reasoned decisions at quasi- judicial meetings • Annual review of Planning decisions • Constitution • FOI Publication Scheme • Details of spending over £250 on website • Regulation of Investigatory Powers Act 2000 Policy • Data Protection Policy • Council and Committee decisions • Report pro-formas • Web casting and recording of meetings • Public Participation Scheme • Area Community Forums • Town and Parish Council Conference • Market Traders Forums • Matlock Bath Illuminations Project Group • Council website • Calendar of meetings • Communications Strategy 	<div style="text-align: center; margin-bottom: 20px;">  </div> <p>During the year we received 703 Freedom of Information requests (up from 687 in 2016/17 and 611 in 2015/16).</p> <p>During 2017/18 we introduced regular meetings with larger Town and Parish Councils to ensure that we work more closely.</p> <p>The Local Plan Inspector acknowledged that the Council exceeded the requirements in regard to community involvement.</p>

	<ul style="list-style-type: none">• Community & Engagement Strategy• Equality, Consultation and Engagement Plan• Equality and Diversity Policy• Annual Equality Plan• Residents' Panel• Record of consultations and use of feedback from consultations• Contract standing orders• Financial Regulations• Procurement Strategy• Reasons for decisions recorded in all regulatory and quasi-judicial matters• All reports include options, risks and potential outcomes• Procurement decisions require a clear audit trail including reasons• All recruitment decisions are reasoned and recorded	
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PRINCIPLE 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits

How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ We have set out our priorities, aims, vision and values in our Corporate Plan; ➤ We set key performance indicators for each year and monitor actual performance against targets; ➤ We have a medium term financial strategy to ensure our financial sustainability; ➤ We operate an effective system of risk management; ➤ Our reports include an assessment of financial, legal and corporate risks and consider equalities, environmental, health, human rights, personnel and property issues; ➤ We carry out equality impact assessments to ensure fair access to services. 	<ul style="list-style-type: none"> • Corporate Plan & Priorities • Service Plans • Community & Engagement Strategy • Equality, Consultation and Engagement Plan • Risk Management Strategy • Medium Term Financial Strategy • Annual Revenue Budget • Capital Programme & Prudential Indicators • Annual Governance Statement (part of the Statement of Accounts) • Annual Audit and Inspection Letter • Financial Regulations – Constitution • Contract Standing Orders – Constitution • Asset Management Plan • Equality Impact Assessments • Area Community Forums • Planning: Material Considerations • Committee Reports • Consultation feedback is taken into account at the point of decisions 	<div style="text-align: center;">  <p>In 2017/18 we paid 99.62% of supplier invoices on time!</p> </div>

PRINCIPLE 4 - Determining the interventions necessary to optimise the achievement of intended outcomes.

How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ Our reports include an assessment of financial, legal and corporate risks and consider equalities, environmental, health, human rights, personnel and property issues; ➤ We consult and use feedback from residents and service users when making decisions about significant service changes; ➤ We have strategic and operational plans, including a medium, term financial strategy, annual budgets, and service plans, that support the aims set out in the corporate plan; ➤ We set key performance indicators (KPIs) to identify how the performance of services and projects is measured ➤ We consider and monitor risks facing each partner when working collaboratively, including shared risks ➤ We review service quality regularly ➤ Our medium term financial strategy integrates and balances service priorities, affordability and other resource constraints ➤ We aim to achieve 'social value' through service planning and commissioning. 	<ul style="list-style-type: none"> • Consultation and review of feedback including Area Community Forums • Risk Management Hub & Risk Registers • Key Performance Indicators • Service Plans • Medium Term Financial Strategy, Medium Term Financial Plan & Efficiency Plan • Budget preparation in accordance with agreed strategy and Medium Term Financial Plan • Budget guidance and processes, including revised estimates • Capital Programme process and scorecard • Annual Audit and Inspection Letter • Confidential Reporting (Whistleblowing) Policy • Anti-Fraud, Bribery and Corruption Policy • Regulation of Investigatory Powers Act Surveillance Policy • Annual Review of Complaints • Calendar of meetings • Communications Strategy • Minutes of regular monitoring meetings with outsourced service providers 	<div style="text-align: center;">  </div> <p>We updated our Medium Term Financial Strategy and Medium Term Financial Plan in 2017/18. In 2017/18 we carried out public consultation exercises on:</p> <ul style="list-style-type: none"> • the future of our public conveniences <ul style="list-style-type: none"> • bringing car parks into charge • taxi licensing policy • discretionary business rate reliefs. <p>We have regular meetings with contractors who provide outsourced services.</p> <div style="text-align: center;">  </div> <p>We updated our Efficiency Plan in March 2018 but we need to update it further to show how we plan to address the budget gap for future years.</p>

PRINCIPLE 5 - Developing the entity's capacity including the capability of its leadership and the individuals within it

How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ We have a rolling programme of service reviews to ensure their continuing efficiency and effectiveness ➤ We recognise the benefits of partnerships and collaborative working; ➤ All employees have an induction and an annual Performance and Development Review; ➤ We have a Member Code of Conduct, inductions and a Member Training and Induction Programme to ensure that elected and appointed leaders understanding their roles and the Council's objectives ➤ Our Constitution includes a Scheme of Delegation that sets out clearly the decisions that are delegated to officers ➤ The leader and the chief executive have clearly defined and distinctive leadership roles ➤ Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections ➤ We encourage shared learning, including lessons learnt from governance weaknesses both internal and external; ➤ There is a public participation session at the beginning of Council and Policy Committee meetings, ➤ We have arrangements in place to 	<ul style="list-style-type: none"> • Constitution • Scheme of Delegation • Member Development Scheme • Employee Personal Development Scheme • Member Training and Development Programme • Insight – Internal management development programme • Member Induction • Member Representative roles • Employee Induction • Job Descriptions • Arrangements for succession planning • Annual review of Scheme of Delegation, Contract Standing Orders and Financial Regulations • LOLA – internal training programme • STEP Reviews • Use of benchmarking (as part of STEP reviews) • Peer Reviews • Efficient use of systems and technology • Shared Learning: Notes of 	<div style="text-align: center;">  </div> <p>During 2017/18 we continued with our programme of STEP reviews for our services; these include benchmarking.</p> <p>Our partner, Arvato, achieved all the key performance indicators in the Revenues and Benefits contract.</p> <p>Our Performance and Development Review action plans are linked to the priorities set out in our Corporate Plan.</p> <p>During 2017/18 all employees undertook training in safeguarding and health and safety.</p>

<p>support the health and wellbeing of our employees.</p>	<p>Management Meetings, Peer Reviews, Hubs, Benchmarking, Networking with other local authorities & through membership of organisations such as the Local Government Association.</p> <ul style="list-style-type: none"> • Human Resource Policies • Employee counselling service • Work of Health & Safety Committee • Active Workplace Programme • Employee Group • Senior Management Team 	
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PRINCIPLE 6 - Managing risks and performance through robust internal control and strong public financial management

How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ We have robust arrangements for risk management including a Risk Management Hub that meets regularly to review Strategic Risks; ➤ Our risk management strategy and policies on internal control are aligned with corporate priorities; ➤ The risks associated with delivering services through third parties are set out in our risk registers; ➤ We have arrangements in place to prevent fraud, bribery and corruption; ➤ We encourage effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making ➤ We provide members and senior management with regular reports on service plans and on progress against Key Performance Indicators; ➤ We report on a consistent basis between specification stages (such as budgets) and post implementation reporting (e.g. financial statements). ➤ The Internal Audit Consortium Manager produces an Annual Report that provides an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control; ➤ The Governance and Resources 	<ul style="list-style-type: none"> • Risk Management Strategy • Risk Management Hub • Strategic and Service Risk Registers • Risk Management Annual Report • Risk assessment of all Committee/Council decisions • Internal audit and reports • External audit and reports • Annual Governance Statement • Financial Regulations • Budget Holder’s Manual • Contract Standing Orders • Transparency & Open Source Data • Medium Term Financial Strategy • Anti-Fraud, Bribery and Corruption Policy • Treasury Management Strategy • Regular budget reporting and income monitoring (revenue and capital) • Regular reporting on service plans and performance against KPIs • Benchmarking information • Information Governance Framework & Strategy • Designated Data Protection Officer 	<div style="text-align: center;">  </div> <p>The Internal Audit Annual Report for 2017/18 shows that all of the areas audited were found to provide reasonable or substantial assurance on the level of reliability of internal controls. 86% were found to provide substantial assurance. This demonstrates that there are effective systems of governance, risk management and control in place.</p> <p>During 2017/18 all employees have received training on data protection. Good progress has been made in preparing for the General Data Protection Regulation.</p> <p>Working with our partner, Arvato, in 2017/18, we significantly improved collection rates for benefit overpayments.</p> <p>In 2017/18 the Local Government Association carried out a Health Check on our Finances. The reported stated that “The Council is well placed to deal with its financial challenges.”</p> <div style="text-align: center;">  </div> <p>The External Auditor’s report to the Governance and Resources Committee in January 2018 identified one significant VFM risk: “Financial</p>

<p>Committee provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment;</p> <ul style="list-style-type: none"> ➤ The Governance & Resources Committee monitor the implementation of recommendations from internal audit reviews. ➤ The Council has an Information Governance Framework and Strategy that sets out the arrangements to ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data ➤ We review and audit the quality and accuracy of data used in decision making and performance monitoring ➤ Our financial management arrangements support both long term achievement of outcomes and short-term financial and operational performance ➤ All reports to Council and policy committees include a financial risk assessment. 	<ul style="list-style-type: none"> • Data protection policies and procedures • Data sharing agreements • Privacy Impact Assessments • Procedure for Data Protection Security Breaches • Checks on access to data and systems • ICT systems patched regularly & kept up to date 	<p>Resilience”. This relates to the further savings of £1 million that will be required over the period 2019/20 –2021/22 to principally address future reductions to local authority funding alongside service cost and demand pressures.</p> <p>To mitigate this risk, the Council has a Medium Term Financial Strategy, Medium Term Financial Planning and an Efficiency Plan in place. However, the Efficiency Plan needs to be updated to address the budget gap for future years.</p>
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PRINCIPLE 7 - Implementing good practices in transparency, reporting and audit to deliver effective accountability

How we meet this principle	Source of assurance	Successes and Areas for Improvement
<ul style="list-style-type: none"> ➤ Our reports are written in a style avoids jargon and can be understood by the public; ➤ Our reports and minutes of meetings are available on our website; ➤ We prepare an Annual Governance Statement that reports on compliance against our corporate governance framework; ➤ Our financial statements are prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations ➤ The Governance & Resources Committee will ensure that recommendations for corrective action made by external audit are acted upon ➤ We have an effective internal audit service where the Internal Audit Consortium Manager has direct access to members to provide assurance with regard to governance arrangements and that recommendations are acted upon ➤ We welcome peer challenge, reviews and inspections from regulatory bodies ➤ We have clear governance arrangements in place for partnership arrangements 	<ul style="list-style-type: none"> • Annual report on Service plans and performance management • Annual review of Corporate Governance framework • Annual Governance Statement • Review of actions recommended by internal audit service • Statement of Accounts • Annual Audit Letter from External Auditor • Anti-fraud, bribery and corruption policy and reporting • Data Protection Officer in place • Compliance with CIPFA's Statement on the Role of the Head of Internal Audit • Compliance with Public Sector Internal Audit Standards • Minutes of meetings from Partnership Board Meetings and Operational Review Meetings. • Annual Complaints Report to Governance & Resources Committee 	<div style="text-align: center;">  </div> <p>In 2017/18 only 11 recommendations were made by internal audit; plans are in place for the outstanding recommendations to be implemented in 2018/19.</p> <p>We report to Members regularly on performance against targets.</p>

4. How the Council works

The Council

The Council is composed of 39 councillors elected every four years. Councillors are democratically accountable to residents of their ward. The overriding duty of councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them.

Councillors have agreed to follow the Council's Code of Conduct to ensure high standards in the way they undertake their duties. The Council's Monitoring Officer trains and advises them on the Code.

All Councillors meet together as the Council. Meetings of the Council are normally open to the public. Here Councillors decide the Council's overall policies and set the budget each year. The Council holds the policy committees to account, and is itself a policy development body. There is an opportunity at Council meetings for members of the public to participate by putting their questions to Councillors. The Civic Chairman of the District of Derbyshire Dales reports to each meeting and the Leader of the Council has an opportunity to address the Council meeting on issues concerning the District of Derbyshire Dales at Council and his attendance at meetings with significant partners.

The Council's Constitution

Derbyshire Dales District Council has adopted a [Constitution](#) which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.

The Constitution is divided into 13 articles, which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols at the end of the document.

The Monitoring Officer is responsible for carrying out a review of the Council's Constitution to ensure that it is up to date and relevant to the organisation's needs. The Council reviews the Constitution at its Annual Meeting, with informal commentary from the leaders of all political groups.

How decisions are made

Most day-to-day decisions are made by policy committees. The Council has 2 policy committees called Governance and Resources and Community and Environment. Committees also carry out a number of regulatory functions, including dealing with planning applications, licensing and most other regulatory business.

Meetings of the Council's policy and other committees are open to the public except where personal or confidential matters are being disclosed.

In addition, senior officers of the Council make decisions under delegated authority. The level of delegation is recorded in the Council's Constitution.

Area Community Forums

In order to give local people a greater say in Council affairs, there are 3 Area Community Forums. These cover the Northern, Central and Southern areas of the District and are intended to act as a focus point for mutual communication and consultation between the local community, stakeholders and Councillors from all local councils in their area. They are held twice a year in public at various meeting venues throughout the District.

The council's employees

The Council has people working for it to give advice, implement decisions and manage the day to day delivery of its services. Some employees have a specific duty to ensure that the Council acts within the law and uses its resources wisely. A Protocol governs the relationships between employees and members of the Council. Employees are required to follow the Council's Employee Code of Conduct to ensure high standards in the way they undertake their duties. The Council's Monitoring Officer provides guidance and advice on the Code.

Citizens' Rights

Citizens have a number of rights in their dealings with the Council. These are set out in the Constitution.

The Corporate Plan

The [Corporate Plan](#) sets out the Council's priorities, aims, vision and values. It was agreed by Council in March 2015 for a 4 year period; annual corporate plan targets are set in March each year and progress is reviewed each November and in March.

The Corporate Plan is based on extensive consultation with residents, councillors and employees.

Managing Key Risks

All Councillors and Managers are responsible for ensuring that risks are considered in the decisions they take. The Council has a [Risk Management Policy and Strategy](#) that is reviewed every two years. It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking.

Chief Financial Officer

The Head of Resources is the Council's appointed Chief Financial Officer. This is a statutory post, responsible for delivering and overseeing the financial management of the council. The Chief Financial Officer is a member of the Corporate Leadership Team and is responsible for financial management at the Council. The role of Chief Financial Officer conforms with the good practice requirements within the CIPFA statement on "The Role of the Chief Financial Officer in Local Government". The Head of Resources has taken a key role in reviewing corporate governance and in preparing this Annual Governance Statement. She is satisfied with the arrangements currently in place for financial management. Overall the control framework is operating effectively and no matters of significance have been omitted from this statement.

Monitoring Officer

The Head of Corporate Services is the Council's appointed Monitoring Officer. The Monitoring Officer is responsible for the legal governance arrangements for the Council. She reviews the Constitution; oversees the ethical framework, and has a personal duty to report to the Council any breaches in the rule of law.

Managing Finances

There is a good system of budgetary control in place, which is enforced by the Corporate Leadership Team. Budget holders are identified for each revenue service or capital project. Training and guidance is provided by the Financial Services Team.

Capital projects are only put forward for Committee approval after the Corporate Leadership Team has approved a business case, which ensures projects support the Council's priorities and that they are fully resourced and planned before spending can commence.

The Council has a Medium Term Financial Strategy that shows the overall direction of the Council's finances over the next five years. This includes a Medium Term Financial Plan which indicates that a budget gap will arise over the next few years due to the reduction in government funding. The Council has set a Corporate Savings target to close the budget gap. The council has a good track record of delivering savings. In March 2018, Councillors approved an updated Efficiency Plan. However, the Efficiency Plan needs to be updated to show how the Council plans to address the budget gap for future years. The Corporate Leadership Team monitors performance against the annual budget, medium term financial plan and efficiency plan.

Internal Audit

The Council receives substantial assurance from Internal Audit work who (through an agreed programme of testing – the Internal Audit Plan) reviews the adequacy of the controls and governance that operate throughout all areas of the Council.

Management of Internal Audit is provided by the Bolsover, Chesterfield and North East Derbyshire District Councils' Internal Audit Consortium.

The Internal Audit Service has been managed and delivered in accordance with Public Sector Internal Audit Standards (PSIAS). The Governance and Resources Committee approves an Internal Audit Charter in 2016, which is due for review every two years. The Charter sets out the role of internal audit and its responsibilities and clarifies its independence.

An external review of Internal Audit was undertaken during 2016/17. The independent report concludes that the Internal Audit Section complies with the expectations of the Public Sector Internal Audit Standards. This means that Members can have confidence in the service provided by internal audit.

The Internal Audit Consortium Manager prepares an Annual Report for the Governance and Resources Committee. The Annual Report includes an opinion on the adequacy and effectiveness of the Council's control environment. For 2017/18, it is considered by the Internal Audit Consortium Manager that reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework for governance, risk management and control and there are no issues arising from internal audit work in 2017/18 that need to be reported in the annual governance statement.

External Audit & Other Inspections

The Council's external auditor is KPMG. The auditor issued an unqualified opinion in relation to the Council's 2016/17 statutory financial statements. An unqualified conclusion was also issued in relation to the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources (the Value For Money conclusion).

Feedback from the work undertaken to date has not highlighted any issues which would lead to a different conclusion for the 2017/18 Statement of Accounts. The external auditor's initial work on the 2017/18 Value For Money risk assessment has identified one significant VFM risk: "Financial Resilience i.e. ensuring that effective arrangements are in place to secure the further savings of £1 million that will be required over the period 2019/20 –2021/22 to principally address future reductions to local authority funding alongside service cost and demand pressures."

5. Significant governance issues and action plan

a) Update on issues raised in last year's (2016/17) Annual Governance Statement

	Issue	Action Identified in last year's statement	Outcome
1	There is a budget gap for future years as identified in the Medium Term Financial Plan.	Effective processes to manage and monitor budgets and to plan and monitor savings	Balanced budget for 2018/19. Efficiency Plan to be updated to address budget gap for future years.
2	An internal audit review has identified that our arrangements for safeguarding need to be strengthened	Implement the recommendations of the Internal Audit Review	Training on safeguarding has been provided to employees and Members. Training for taxi drivers is in progress. An updated Safeguarding Policy has not yet been completed.
3	An internal audit review has identified that our arrangements for data protection need to be strengthened	Implement actions identified in the GDPR action plan, which include the outstanding recommendations from the internal audit review.	Recommendations from Internal Audit Review have been implemented. Good progress has been made in preparing for the General Data Protection Regulation.

b) Annual Governance Statement issues arising from 2017/18 review, to be actioned in 2018/19

	Issue	Action	Outcome	Lead Officer	Target Date
1	There is a budget gap for future years as identified in the Medium Term Financial Plan.	Ensure that there are effective processes to manage and monitor budgets and to plan and monitor savings. Update the Efficiency Plan to address the budget gap for future years.	Balanced budget for 2019/20 and Efficiency Plan in place to address budget gap for future years.	Head of Resources	Efficiency Plan: November 2018 Balanced budget for 2019/20: March 2019
2	An internal audit review has identified that our arrangements for safeguarding need to be strengthened	Implement the outstanding recommendations of the Internal Audit Review: <ul style="list-style-type: none"> Complete the training for taxi drivers Update the Safeguarding Policy 	The Council will be compliant with safeguarding requirements	Head of Community & Environmental Services	30 June 2018
3	A complaint received during 2017/18 questioned the openness of the District Council's procurement process in relation to a high value contract.	Review Contract Standing Orders and procedures for specifying requirements and how tenders will be evaluated.	The Council will be compliant with procurement legislation	Head of Corporate Services	30 June 2018

We propose over the coming year to take steps to address the significant governance issues identified in section 5b of this statement to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Councillor Lewis Rose O.B.E.
Leader of the Council
Date: 31 May 2018

Dorcas Bunton
Chief Executive
Date: 22 May 2018

BACK TO AGENDA

COUNCIL
31 MAY 2018

Report of the Head of Resources

PROVISIONAL REVENUE AND CAPITAL OUTTURN 2017/18

PURPOSE OF REPORT

This report provides details of the provisional financial outturn for the District Council's Revenue Account and Capital Programme. The report also advises Members of the updated Medium Term Financial Plan and Efficiency Plan.

RECOMMENDATIONS

1. That the provisional General Fund under-spending of £247,793 in 2017/18 is noted;
2. That the following transfers to reserves for the 2017/18 provisional under-spend are approved:
 - (a) £100,000 to the Capital Programme Reserve
 - (b) £147,793 to the General Reserve.
3. That the updated Medium Term Financial Plan, shown in Appendix 2 is approved;
4. That the updated Efficiency Plan, shown in Appendix 3 is approved;
5. That the provisional Capital Out-turn, as detailed in Appendix 4, and financing arrangements for 2017/18, in the sum of £2,022,758, are approved;
6. That the revised Capital Programme as detailed in Appendix 4, and financing arrangements for 2018/19, in the sum of £5,931,232, are approved;
7. That the Capital Programmes for 2019/20 to 2022/23, as detailed in Appendix 4 for the sum of £3,849,881, are approved.
8. That the potential future capital programme liabilities outlined in Appendix 5 is noted.

WARDS AFFECTED

All

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.

The provisional financial position as at 31st March 2018 has been reflected in the updated Medium-Term Financial Plan and will be reflected in the Revenue Spending Proposals for 2019/20 that will be presented in early 2019.

1 SUMMARY

- 1.1 The provisional outturn on the revenue account for 2017/18 was an under-spend of £247,793 against revised estimates. Key reasons for the under-spend are given in the report below.
- 1.2 The provisional outturn for the 2017/18 capital programme was an under-spend of £1,017,196 against the revised capital programme that was approved in November 2017. Key schemes that contributed to the under-spend are given in the report below. Most of the under-spends have been treated as “slippage” and moved into the revised capital programme for 2018/19.
- 1.3 If the recommendations of this report are approved, the provisional outturn is that Council will increase its general fund balances £1.9m at 31 March 2017 to £2.1m at 31 March 2018, and earmarked reserves will increase from £10.3m to £11.9m for the same period.

2 REPORT

Introduction

- 2.1 The figures shown in this report reflect the provisional outturn for 2017/18. The Council’s accounts are subject to external audit review and technical adjustments might be required that could affect the overall financial position. Any changes that are required during the audit will be reported when the Statement of Accounts is considered for approval.

Revenue Spending

- 2.2 During 2017/18 the Council faced a number of challenges in successfully managing its financial position. In setting its budget for 2017/18 the District Council set a corporate savings target to achieve savings of £1.6 million over the three years to 2019/20. Council Tax was increased by 2.6%, with the average bill for Derbyshire Dales’ services set at £198.34 per year. Officers have continued to work to identify savings and additional sources of income to offset the impact of further reductions in government funding (which will increase further in 2018/19 and 2019/20). Despite the reduction in government funding in 2017/18, the council delivered a range of services to residents and ended 2017/18 with a revenue under-spending of £247,793.
- 2.3 The major variances against the revised budget are:

Budget Head	Variance: Revised Estimate to Outturn 2017/18 £000s
Recovery of Housing Benefit Overpayments and increased subsidy	(127)
Capitalisation of salaries	(50)
Planning Application Fees	(55)
Net spending on leisure centres	55
Housing grants	(37)
Training and courses	(23)

Reductions in expenditure or increased income are shown in brackets in the table above.

- 2.4 The section on the Capital Programme set out below explains that sources of funding for the capital programme and potential future capital liabilities are diminishing. The updated Medium Term Financial Plan and Efficiency Plan, set in Appendices 2 and 3, show that in 2020/21 there is still a savings gap of around £600,000, rising to around £700,000 in 2021/22 before reducing as increased savings from the leisure review take effect. It is recommended that the General Reserve be increased in case savings of that magnitude do not materialise by March 2020. It is therefore recommended that the under-spending of £247,793 be transferred to reserves as follows:
- £100,000 to the Capital Programme Reserve, and
 - £147,793 to the General Reserve.

Reserves and Balances

- 2.5 The position on reserves and balances, following the recommendations set out above, can be seen in Appendix 1.

Revenue balances carried forward at 31 March 2018 total £2,063,000 (31 March 2017 £1,915,000). This balance is significant as it reflects the revenue balances that are generally available for new expenditure. The Council has determined that it is prudent to maintain a working balance of £1m to meet emergencies and contingencies, and to assist with cash flow. This balance will also be required in the event that the Council does not achieve the savings required to balance the budget in any financial year.

The Council holds a number of earmarked reserves to finance future capital and revenue expenditure. The value of earmarked reserves held at 31 March 2018 is £11,876,000 (£10,344,000 at 31 March 2017). An analysis of earmarked reserves is contained in Appendix 1.

Council Tax and Business Rates Collection

- 2.6 Derbyshire Dales District Council collects council tax on behalf of Derbyshire County Council, Derbyshire Fire and Rescue Authority and Derbyshire Police Authority. Amounts collected, bad debts written off and any surplus or deficit on the collection fund are distributed according to precepts. In 2017/18 £49.3m (£47.1m in 2016/17) was collected from council tax payers; this represents 98.8% of council tax that was due by 31 March (target 98.2%). The final year-end position on the Collection Fund is a surplus of £357,000 (2016/17 £297,000 surplus).

Business rates are collected on behalf of the government, Derbyshire County Council and Derbyshire Fire and Rescue Authority. Amounts collected, bad debts written off and any surplus or deficit on the collection fund are distributed according to prescribed shares. In 2017/18 £17m (£17.1m in 2016/17) was collected from business rate payers; this represents 97.9% of business rates were due by 31 March (target 97.3%). The final year-end position on the Collection Fund is a deficit of £1.97m (2016/17 £1.53m deficit).

Derbyshire Dales District Council's share of this surplus and deficit will be taken into account when setting the council tax for 2019/20.

Medium Term Financial Plan and Efficiency Plan

2.7 An analysis of the variances set out in paragraph 2.3 has identified that approximately £50,000 of savings (additional housing benefit subsidy income) will continue in future years. This has been reflected in an updated medium-term financial plan (MTFP), together with the following:

- Savings from the public conveniences review, agreed by Council on 30 April;
- Savings from outsourcing the management of leisure centres, agreed by Council on 3 May;
- Additional income that the Council is likely to receive as a result of the business rates pilot.

2.8 These adjustments result in an updated MTFP, which is shown at Appendix 2. The MTFP indicates that savings will be required from 2019/20 in order to set a balanced budget.

The savings gap that must be closed in each year is set out in the table below:

Financial Year	2019/20	2020/21	2021/22	2022/23
Savings required	£ 14,000	£ 789,000	£857,000	£648,000

2.9 The figures in the MTFP and in the table above reflect the funding that has been indicated in the Government's Settlement Funding Assessment. The Government has indicated that 75% of business rates income will be passed to local authorities by 2020/21. It is expected that local authorities will take on additional responsibilities to make this fiscally neutral. As the details are not known at the time of writing this report, the 75% localisation of business rates has not been reflected in the MTFP.

2.10 The figures in the medium term financial plan indicate that significant savings must be achieved in the medium term if the Council is to be able to set a balanced budget each year. The Council's Efficiency Plan shows the Council's approach to meeting the corporate savings target and closing the budget gap over the next five years. The Efficiency Plan is shown in Appendix 3. The proposed areas for savings include service reviews, service changes, transformation and generating additional income.

2.11 Officer comment:

If the assumptions in the medium term plan turn out to be accurate, and the proposed savings shown in the efficiency plan are realised, the Council will need to identify savings of around £700,000 to balance the budget in 2021/22, or use the general reserve to cover any shortfall.

2.12 The recommendations made in this report have been reflected in the draft Statement of Accounts, which will be published on the Council's website. The Statement of Accounts is subject to an independent audit, carried out by the KPMG. The audited Statement of Accounts will be presented for approval at the Council meeting to be held on 26th July 2018.

Capital Spending

2.13 Capital expenditure can be defined as that which generates an asset that has a useful life of more than one year or expenditure that enhances (not merely maintains) an asset. Capital expenditure may include:

- buying new property
- building new property
- work to improve or enhance the Council's properties
- awarding grants for the above types of activity, for example, grants for disabled facilities.

2.14 Capital spending in 2017/18

The budget (capital programme) for 2017/18 was set in March 2017 at £2,852,058. This was revised during the year to reflect progress on schemes and the addition of new schemes. In March 2018 the Council approved a revised capital programme for 2017/18 of £3,039,954. The provisional outturn for 2017/18 is £2,022,758. Details of spending against each scheme can be seen in Appendix 4 to this report.

The table below shows capital spending, analysed by the Council's priorities:

	2017/18 Budget March 2017 £'000s	2017/18 Revised Budget March 2018 £'000s	2017/18 Actual £'000s	2016/17 Actual £'000s
Council Priorities 2017/18				
Business growth and Job Creation	215	76	72	25
Affordable Housing	1,352	1,274	1,216	749
Market Towns	59	124	64	237
A Clean & Safe District	928	672	407	840
Efficiencies & Innovative Working Practices	42	31	15	49
Other	256	863	249	967
Total Capital Spending	2,852	3,040	2,023	2,867

At 31st March 2018, there is a provisional under-spend of £1,017,196 compared with the revised estimate; the principal schemes contributing to the under-spend are:

Capital scheme	Comments	Variance: Revised Programme to Outturn 2017/18 £000s
Affordable Housing		
Temporary Accommodation in Matlock & Ashbourne	Scheme delayed; now on site.	-120
Luke Lane, Brailsford, Phase 2	Earlier start	67
Market Towns		
Car park improvements	Schemes delayed*	-51
A Clean and Safe District		
Vehicles (lorries & vans)	Purchases delayed	-251

Other		
Matlock Town Hall: Works identified in condition survey	Schemes delayed*	-175
Leisure centres: Works identified in condition survey and Wirksworth LC sports hall flooring	Schemes delayed*	-324
ICT Projects, including £70,000 for re-cabling at Matlock Town Hall, which is now underway.	Schemes delayed, now planned for 2018/19	-111

Reductions in expenditure are shown as negative figures in the table above.

*These schemes are being managed by the Estates team. The delays are largely due to the fact that Estates resources have been redirected to responding to unforeseen events such as Arc footbridge works, rebuilding the ranger station post fire, replacement of Wirksworth gym floor, Wirksworth footpath drainage issues and public conveniences work.

This report seeks Members' approval to carry forward most of the under-spend as slippage into 2018/19.

2.15 Capital spending in 2018/19

The revised capital programme for 2018/19 has been updated to reflect slippage and new bids* and is summarised below:

Priority	2018/19 Recommended Capital Programme
	£
Business Growth and Job Creation	214,148
Affordable Housing	2,593,025
Market Towns	173,643
A Clean and Safe District	729,603
Continue to Seek Efficiencies and Innovative Working Practices	16,312
Miscellaneous/Other Schemes	2,204,501
	5,931,232

Further details are given in Appendix 4 to this report.

*The new bids that have been included are:

- £1,200,000 investment to improve leisure centres, as part of the agreement with Freedom Leisure, who will manage leisure centres from August 2018;
- £136,000 investment in charging equipment for public conveniences;
- £35,000 investment to replace the Air Handling Unit/Building Management System at Arc Leisure, Matlock.

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). The major items in the spending proposals where expenditure in 2018/19 is estimated at £250,000 or more are:

	£000
Affordable Housing Schemes	
Bakewell: Lady Manners School	335
Tideswell	413
Matlock: Asker Lane	250
Rural Villages: Affordable Housing to Rent Programme	250
Other	
Disabled Facility Grants	461
Vehicle Replacements	442
Investment in Leisure Centres to support Freedom Leisure contract	1,200
Condition Survey Works at Ashbourne Leisure Centre	256

2.16 Capital spending in 2019/20 to 2022/23

The revised capital programmes for 2018/19 has been updated to reflect slippage and new bids* and is summarised below:

Priority	2019/20 to 2022/23 Recommended Capital Programme
	£
Affordable Housing	2,339,119
A Clean and Safe District	1,274,000
Miscellaneous/Other Schemes	236,762
	3,849,881

Further details are given in Appendix 4 to this report.

Capital Resources

2.17 The Council has substantial internal resources to finance its capital programme including its strategic reserves and the balance of its Capital Receipts Reserve. Also available is the use of external borrowing when required. The Council has sufficient resources to fund the proposed capital programme.

The table below shows how the capital spending in 2017/18 was financed and how it is proposed to finance the capital programme from 2018/19 to 2022/23:

Source of Funding	2017/18	2018/19	2019/20 to 2022/23	Total
	£	£	£	£
Capital Receipts	671,072	1,741,670	942,500	3,355,242
Grants & Contributions	512,252	495,412	1,361,619	2,369,283
Use of Reserves:				
Capital Programme Reserve	234,630	2,039,062	70,000	2,343,692
Grants Unapplied Reserve (Section 106 Contributions)	241,211	1,055,500	135,000	1,431,711
Vehicle Renewals Reserve	199,414	441,586	1,234,000	1,875,000
ICT Reserve	49,640	141,312	80,000	270,952
Economic Development Reserve	72,431	10,000	0	82,431
Carsington Reserve	0	6,690	26,762	33,452
Insurances	42,108	0	0	42,108
Total Capital Financing	2,022,758	5,931,232	3,849,881	11,803,871

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

Reserve/Balance	B/fwd 01/04/2017 £	New Receipts £	Used £	C/fwd 31/03/2023 £	Comments
Capital Programme Reserve	2,984,730	365,075	2,343,692	1,006,113	
Capital Grants	147,020	2,322,026	2,369,283	99,763	Mostly earmarked for specific projects
Other Strategic Reserves (earmarked for capital schemes) See below	1,723,173	900,000	2,303,943	319,230	Mostly earmarked for specific projects
Section 106 Income	1,781,129	704,450	1,431,711	1,053,868	Relies on new receipts being attained
Capital Receipts	2,927,974	1,164,927	3,355,242	737,658	Relies on new receipts being attained
Total	9,564,026	5,456,477	11,803,871	3,216,632	

“Other Strategic Reserves” comprise the following:

Reserve	B/fwd 01/04/2017 £	New Receipts £	Used £	C/fwd 31/03/2023 £
Carsington Improvements	33,452	0	33,452	0
Vehicle Renewals	1,090,895	900,000	1,875,000	115,895
ICT Reserve	470,719	0	270,952	199,767
Economic Development Reserve (earmarked for capital)	86,000	0	82,431	3,569
Insurances - (earmarked for capital)	42,107	0	42,107	0
Total	1,723,173	900,000	2,303,943	319,230

2.19 Officer comments:

The table above demonstrates that, if the recommendations of this report are accepted, sources of capital funding are forecast to reduce to £3.22m by 31 March 2023. However, Section 106 contributions, capital grants and the amounts in other strategic reserves are set aside for specific purposes; if these are excluded the amount available for new capital schemes reduces to £1.74m.

The Corporate Leadership Team has identified a number of future capital liabilities and potential new projects that will be required in the next 1-2 years that have not been included in this revised capital programme. These projects are set out in Appendix 5. They total £660,500 but do not include the estimated costs of a traveller site or works required at Lovers Walk to the rock faces. The projects included in Appendix 5, the traveller site and works to rock faces are *potential* liabilities at this time and have not yet been approved by members; they will be the subject of reports to policy committees and / or Council at the appropriate time. If the £660,500 is deducted from the £1.74m, it leaves the Council with a balance of around £1.1m to address:

- the traveller site (subject to members' approval and if external funding or a section 106 contribution is not obtained);
- further works that may be required to the rock faces in Matlock Bath;
- cases where actual tendered costs exceed the budget; and
- capital expenditure that might be required to deal with unforeseen events, (such as encountered at Matlock Bath Memorial Gardens Toilets).

There is a risk that balances of around £1.1m will be insufficient to finance such items as set out above. If that proves to be the case, it will be necessary to identify other sources of funding, such as grants, contributions, borrowing and leasing for future capital projects, subject to the affordability on the revenue account of leasing or borrowing.

This report should be read in conjunction with the [Medium Term Financial Strategy](#) and the Capital Strategy, which were approved by Council in November 2017. The Capital Strategy sets out the strategic approach to the management of the Council's capital programme and provides a framework with which decisions can be made regarding capital investment and financing. It includes a description of the sources of funding available to the Council.

For a small district council, in the current economic climate, a fully-funded capital programme of £12m can be seen as fairly healthy. Members should note, however, that much of the capital programme is spent on enhancing/replacing existing assets. There will always be a need for some asset replacements and hence the need for annual contributions from revenue to capital reserves, as identified in the Medium Term Financial Strategy.

Key events and issues for 2018/19 and beyond

- 2.20 Looking ahead to 2018/19, the Council continues with its drive to generate further savings or to identify additional income in the face of financial pressures. The key issue facing Derbyshire Dales District Council in the medium term is the need to produce a balanced budget in the face of declining government support, resulting from the government's austerity measures.

Although savings and efficiency gains have been achieved each year in order to set a balanced budget, the latest projection has identified that further savings of around £0.7million are required over the next two years.

- 2.21 There are a number of major projects outlined below that are being undertaken that will significantly influence the Council's ability to balance its budget in the future. There is also a requirement for significant work and expertise to ensure that the best outcome for the Council and residents is achieved.

Leisure Services

The Council has recently approved the decision to outsource the management of all four of its leisure centres, while retaining ownership of the buildings. The recommendation to do this was based on the Council's inability to continue to subsidise the centres at the current rate and the significant savings that could potentially accrue if other providers took the Centres on. Following a procurement exercise, the responsibility for managing the centres will transfer to Freedom Leisure on 1st August 2018. Estimated savings have been included in the Medium Term Financial Plan shown in Appendix 2.

Public Conveniences

The Council has recently approved the decision to close or transfer some public conveniences and to introduce charging at others. The recommendation to do this was based on the Council's inability to continue to subsidise public conveniences at the current rate, the significant savings that could potentially accrue if the Council was no longer responsible for some and the significant amounts of income that could be generated by the introduction of charging. Closures were implemented on 14 May and charging is expected to be introduced in June / July. Estimated savings have been included in the Medium Term Financial Plan shown in Appendix 2.

Waste Contract

The Council's Waste Contract is due for renewal / re-tendering in 2020. Experience dictates that the lead-in time, to ensure the procurement process is not pressurised and proper consideration is given to the options available for the Council for the future, needs to start now. The knowledge from the market in terms of future service costs indicates that a significant increase in contract costs is likely. It is, therefore, important that the Council starts to look at future service delivery options and its priorities in determining the type of service it can afford to deliver. The Council has provided a budget for consultancy to be used for the procurement process. An amount has been included in the Medium Term Financial Plan for the estimated increase in costs.

Revenues and Benefits (Arvato) Contract

A contract exists between Chesterfield Borough Council and Arvato for the delivery of the Revenues and Benefits Service. This Council joined the contract in 2012 and is, through the location and systems used, tied to a certain extent to Chesterfield's lead on this. The contract is due for renewal / re-tendering in 2020 and, as with the Waste Contract, the Council needs to start now by looking at the options for the future and working with Chesterfield on a way forward. As with the Waste Contract, to increase capacity or to ensure the right expertise is available to the Council, external support may be required. An amount has been included in the Medium Term Financial Plan for the estimated increase in costs.

Business Rates Pilot

The Council along with the other 7 Derbyshire districts, the County and City Councils, has been successful in bidding to become a business rate pilot. This will mean all business rates collected in 2018/19 will be retained within the Derbyshire authorities. The pilot has only been confirmed by the government for 1 year and so the additional revenues received cannot be relied upon past 2019. An additional amount has been included in the medium Term Financial Plan for 2018/19 only.

Commercial Board

The Council has recently established a Commercial Board that will explore commercial opportunities that might generate income for the Council. Potential opportunities include:

- Trading directly with the community, e.g. chargeable discretionary services.
- Maximising the value of assets, e.g. purchasing of land, disposing of surplus assets, developing, sales and rental initiatives, making assets work harder.

- Sharing and selling services amongst peers, e.g. revenues and benefits services.
- Driving the business transformation / digital agenda to create efficiencies and new revenue streams, e.g. automation, channel shift, digital by default.
- Investing in opportunities that deliver a profitable rate of return on that investment.

3 RISK ASSESSMENT

3.1 Legal

The Council has a legal duty to set a balanced budget and has a general duty to act in the public interest in managing the custody of public funds. The accounts have been prepared by qualified personnel using accepted principles for to ensure proper accountability. The legal risk is therefore low.

3.2 Financial

The recommended transfer to the capital programme reserve will help to provide funding for potential future liabilities that the Council may face in its capital programme.

For revenue spending, the updated Medium Term Financial Plan and Efficiency Plan illustrate that significant savings must be found in the medium term. There are risks associated with the approach used in the Medium Term Financial Plan and Efficiency Plan; these risks are explained in the Council's [Medium Term Financial Strategy](#). The recommended transfer to the general reserve will help to mitigate the risks, but the financial risk in respect of the Council's long-term financial position remains high.

3.3 Corporate Risk

The Council's financial position is taken into account in determining all the priorities in the Corporate Plan. The Council is expected to deliver significant savings over the next two years. "Financial Resilience" has been identified on the Council's Strategic Risk Register and has been assessed as high risk, pending the delivery of the required savings. The consequences of failing to do so are shown as:

- Lack of resources available to deliver the core Council activities
- Controls not performed or overlooked due to time and resource pressures.
- Cash flows are not available to maintain standards and quality of service provision.
- Increase in claims made to the Council
- Initiatives, development programmes etc. around capital enhancements, car park maintenance etc. may not be performed resulting in members of the public hurt or public property damaged.

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

Karen Henriksen, Head of Resources

Telephone: 01629 761284; Email: karen.henriksen@derbyshiredales.gov.uk

Mark Nash, Financial Services Manager

Telephone: 01629 761214; Email: mark.nash@derbyshiredales.gov.uk

6 BACKGROUND PAPERS

None

7 ATTACHMENTS

Appendix 1 – Summary of Revenue Balances, Provisions and Earmarked Reserves as at 31st March, 2018

Appendix 2 – Medium Term Financial Plan

Appendix 3 - Efficiency Plan

Appendix 4 - Capital Programme 2017/18 to 2022/23

Appendix 5 - Potential capital schemes/liabilities not included in capital programme

BACK TO AGENDA

SUMMARY OF REVENUE BALANCES, PROVISIONS AND EARMARKED RESERVES

	Balance at 31 st March 2018 After Report Recommendations £000s	Balance at 31 st March 2017 £000s
<u>Revenue Balances</u>		
General Fund Working Balance*	1,000	1,000
General Reserve	1,161	1,013
Building Control	(98)	(98)
	2,063	1,915
<u>Provisions</u>		
Insurances	58	50
	58	50
<u>Earmarked Reserves</u>		
Business Rates Fluctuations	1,399	789
Capital Programme Reserve	3,115	2,985
Carsington Improvements	33	33
Committed Expenditure	262	247
Economic Development	220	306
Elections	98	68
Information Technology	421	471
Insurances	465	507
Investment Fund	569	117
Job Evaluation	150	150
Local Plan	108	108
Member / Officer Indemnity	25	25
Revenue Grants Unapplied	3,933	3,141
Vehicle Renewals	1,042	1,091
Ward Member Budgets	36	104
Wheeled Bins	0	202
	11,876	10,344
TOTAL	13,997	12,309

* The General Fund Working Balance is specified as a “controlled reserve” for the purposes of Section 26 of the Local Government Act 2003.

MEDIUM TERM FINANCIAL PLAN (MAY 2018)

	Note	Estimate 2018/19	Revised 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23
		£000s	£000s	£000s	£000s	£000s	£000s
Existing Funding Requirement		9,753	9,753	9,753	9,753	9,753	9,753
Future Commitments / savings							
Inflation – pay awards	1	0	0	268	454	634	806
Inflation - general	2	0	0	83	118	163	222
Additional Disabled Facilities Grants matched by increased funding		184	184				
Transfer to Vehicle Renewals Reserve (annual contributions)		150	150	150	150	150	150
Transfer to Local Plan Reserve (annual contributions)		50	50	50	50	50	50
Transfer to Elections Reserves (annual contributions)		30	30	30	30		
Transfer to Capital Programme Reserve (one-off)		0	74				
Increased Housing Benefit Subsidy		0	(50)	(50)	(50)	(50)	(50)
Housing Benefits and Council Tax Administration Subsidy		(37)	(37)	(14)	9	32	55
Cost of implementing National Living Wage				6	6	6	6
Potential increase in pension contributions following revaluation of fund					150	150	150
Savings from review of Public Conveniences		0	(146)	(213)	(213)	(213)	(213)
Cost pressures of outsourced services					300	300	300
Staff Turnover		(25)	(25)	(25)	(25)	(25)	(25)
Increased income from Parking		(157)	(157)	(161)	(165)	(169)	(173)
Savings from Environmental Services Restructure		(55)	(55)	(55)	(55)	(55)	(55)
Management arrangement for Leisure Services		(350)	(37)	(235)	(335)	(335)	(635)
Increased income from land charges		(28)	(28)	(28)	(28)	(28)	(28)
Other changes		20	20	(102)	(163)	(176)	(176)
Total Net Spending Requirements		9,535	9,726	9,457	9,986	10,187	10,137
Funded by:							
Revenue Support Grant	3	0	0	(362)	(371)	(380)	(390)
Business Rates Baseline Funding	4	1,612	1,612	1,648	1,731	1,766	1,801
Settlement Funding Assessment		1,612	1,612	1,286	1,360	1,386	1,411
Financing from Council Tax	5	5,890	5,890	6,064	6,242	6,423	6,608
Council Tax Collection Fund (surplus) / deficit		61	61				
Additional Business Rates above baseline inc S31 grant	6	944	944	1,111	1,071	1,092	1,112
Additional business rates from pilot	7		(191)				
NNDR Collection Fund surplus / (deficit)		(731)	(731)				
New Homes Bonus	8	473	473	390	254	159	88
Rural Services Delivery Grant (shown as business rates adjustment in 2018/19, as part of pilot)	9	401	401	322			
Transition Grant							
Disabled Facilities Grant		454	454	270	270	270	270
Total Income		9,104	9,295	9,443	9,197	9,330	9,489
Transfer to / (Use of) Reserves							
Business Rate Fluctuations Reserve		(431)	(431)				
Corporate Savings Target		0	0	14	789	857	648

Notes to MTFP:

1. Assumes annual pay awards of 2% from 2020/21 after current 2 year offer
2. General inflation assumed at 3% per annum
3. SFA as proposed four year deal announced February 2016 updated for 2018/19 final settlement
4. Based on DCLG final settlement and NDR pilot adjustment
5. Assumes that Council Tax will increase by £2.99% for a band D for 2018/19, then by 1.94% p.a. from 2019/20.
6. Assumes Business Rates Income will increase by 3% per annum
7. NNDR pooling replaced in 2018/19 with pilot scheme for 1 year
8. New Homes Bonus is awarded for 5 years for 2017/18 then for 4 years from 2018/19; assumed no further awards after 2018/19
9. Assumes no further awards of Rural Services Delivery Grant after 2019/20 (will be part of baseline funding level from 2020/21).

EFFICIENCY PLAN (MAY 2018)

	Forecast 2018/19 £000s	Forecast 2019/20 £000s	Forecast 2020/21 £000s	Forecast 2021/22 £000s	Forecast 2022/23 £000s
Existing Funding Requirement (see MTFP)	0	14	789	857	648
Service changes					
Markets review	(8)	(15)	(40)	(40)	(40)
Transformation					
Essential user review	0	(40)	(40)	(40)	(40)
Efficiency savings from STEP Reviews	0	0	(10)	(10)	(10)
Better Procurement	(20)	(20)	(20)	(20)	(20)
Additional income					
CT Empty Homes Premium	0	(10)	(10)	(10)	(10)
Residents' car parks permit increase	0	(6)	(12)	(18)	(18)
Commercial Activity	0	0	(20)	(20)	(20)
Efficiency Plan Total	(28)	(91)	(152)	(158)	(158)
Total Net Spending Requirements	(28)	(77)	637	699	490

CAPITAL PROGRAMME – 2017/18 OUT-TURN & PROPOSED PROGRAMME FOR 2018/19 TO 2022/23 (MAY 2018)

Key: **New** **Slippage or change in costings**

SCHEME	COMMENTS	PRIORITY RATING	2017/18 ESTIMATE APPROVED MARCH 2018	2017/18 OUT-TURN	2018/19 UPDATED ESTIMATE INCL. SLIPPAGE	2019/20 ESTIMATE	2020/21 ESTIMATE	2021/22 ESTIMATE	2022/23 ESTIMATE	TOTAL
		%	£	£	£	£	£	£	£	£
Affordable Housing										
Improvement Grants										
Disabled Facilities Grants	To adapt the homes of disabled people.	84	500,904	494,252	460,525	453,873	453,873	453,873	0	2,316,396
Social Housing Grants										
Taddington	Site acquired	Not Scored	80,000	80,000	0	0	0	0	0	80,000
Winstar	PDRHA advise scheme delayed. Start on site in Q1 2018/19	Not Scored	0	0	80,000	0	0	0	0	80,000
Bakewell Lady Manners School	Slippage - 2018/19 scheme delayed	Not Scored	0	0	334,500	92,500	0	0	0	427,000
Wirksworth - Stafford House , Derby Road	Completed	Not Scored	30,734	30,734	0	0	0	0	0	30,734
Cromford / Matlock Bath	Due to commence in 2018/19	Not Scored	0	0	100,000	0	0	0	0	100,000
Matlock - Dimple Site	On site	Not Scored	122,000	123,477	0	0	0	0	0	123,477
Dales Housing Garage Sites	Completed	Not Scored	20,000	20,000	0	0	0	0	0	20,000
Tideswell	Planning application due in 2018/19	Not Scored	0	0	412,500	0	0	0	0	412,500
Rural village - affordable housing for rent programme	Due to commence in 2018/19	50	0	0	250,000	750,000	0	0	0	1,000,000
Temporary Accommodation - Matlock & Ashbourne	On Site	Not Scored	120,000	0	120,000	0	0	0	0	120,000
Ashbourne - Dove Garage, Mayfield Road	Due to commence in 2018/19	Not Scored	0	0	157,500	0	0	0	0	157,500
Brailsford - Luke Lane / Mercaston Lane	Due to commence in 2018/19	Not Scored	0	0	135,000	0	0	0	0	135,000
Brailsford - Luke Lane Phase 2	Commenced (earlier than expected) in 2017/18; to be completed 2018/19	Not Scored	0	67,000	68,000	0	0	0	0	135,000
Matlock - Bentley Bridge	NCHA advise Scheme to complete in June 2018/19	Not Scored	0	0	225,000	0	0	0	0	225,000
Matlock - Moorcraft	Completed	Not Scored	400,000	400,000	0	0	0	0	0	400,000
Matlock - Asker Lane	Scheme agreed between developer and Waterloo	Not Scored	0	0	250,000	0	0	0	0	250,000
Doveridge - Bakers Lane	Due to commence in 2019/20	60	0	0	0	135,000	0	0	0	135,000
Sub Total - Affordable Housing			1,273,638	1,215,463	2,593,025	1,431,373	453,873	453,873	0	6,147,607

SCHEME	COMMENTS	PRIORITY RATING	2017/18 ESTIMATE APPROVED MARCH 2018	2017/18 OUT-TURN	2018/19 UPDATED ESTIMATE INCL. SLIPPAGE	2019/20 ESTIMATE	2020/21 ESTIMATE	2021/22 ESTIMATE	2022/23 ESTIMATE	TOTAL
		%	£	£	£	£	£	£	£	£
Business Growth and Job Creation										
Economic Development										
Blenheim Road/Ashbourne Airfield: Design and Professional Services	Design completed. Works to take place 2018/19.	66	76,000	72,431	214,148	0	0	0	0	286,579
Sub Total - Business Growth and Job Creation			76,000	72,431	214,148	0	0	0	0	286,579
Market Towns										
Car Parks										
Ashbourne Shawcroft Car Park Redesign	Redesign to create approximately 40 spaces and access road to rear of shops. Completed,	69	960	960	0	0	0	0	0	960
Bakewell ABC strips to sides of Agricultural Way	Two stone trenches either side of Agricultural Way to prevent grass grid becoming dislodged with vehicles entering/exiting car park. Balance withdrawn from capital programme pending review.	83	16,680	18,569	0	0	0	0	0	18,569
Replacement of Pay and Display Ticket Machines	New reliable pay and display machines enabling card payments – Remaining DDA works (4 sites).	not scored	41,000	19,509	21,491	0	0	0	0	41,000
Fishpond Meadow, Ashbourne: Car Park Improvements/Feasibility study	Upgrade drainage, replace grass reinforcement system, carry out feasibility study re permanent surface. Part replacement Summer 2018. Further replacement works Autumn 2019.	56	35,000	579	35,000	0	0	0	0	35,579
Bakewell ABC Car Park Improvements including cattle grid	Upgrade tarmac surface, replacement of areas of grass grid, replacement of cattle grid.	39	0	0	70,500	0	0	0	0	70,500
Monsal Head Car Park Improvements	Upgrade tarmac surface and landscaping. At Procurement Stage, expect completion by October 2018.	44	10,500	0	10,500	0	0	0	0	10,500

SCHEME	COMMENTS	PRIORITY RATING	2017/18 ESTIMATE APPROVED MARCH 2018	2017/18 OUT-TURN	2018/19 UPDATED ESTIMATE INCL. SLIPPAGE	2019/20 ESTIMATE	2020/21 ESTIMATE	2021/22 ESTIMATE	2022/23 ESTIMATE	TOTAL
		%	£	£	£	£	£	£	£	£
Public realm Improvements										
Ashbourne Shrovetide Walk	Re-surfacing works. Completed.	75	181	581	0	0	0	0	0	581
Wirksworth St Mary's Churchyard Railings	Responsible for maintaining the wall and railings in decent order. Repair wall and iron railings and repaint. Listed building so railings need to remain. Slipped to 2018/19 due to weather.	31	24,000	23,311	25,652	0	0	0	0	48,963
Darley Dale Down Station Improvements	Repairs to roof. Works planned for Summer 2018.	57	10,500	319	10,500	0	0	0	0	10,819
Sub Total - Market Towns			123,821	63,828	173,643	0	0	0	0	237,471
A Clean and Safe District										
CCTV	Install new system and cameras. Completed.	64	100,000	100,366	0	0	0	0	0	100,366
Flood Alleviation										
Matlock Bath	Land drain under A6 - partly fund from revenue. Any outstanding payments to be made by 31st March 2019.	64	3,460	0	3,460	0	0	0	0	3,460
Stoney Middleton - Coombs Dale	Payment for permission for pipework to cross land. Any outstanding payments to be made by 31st March 2019.	Not scored	1,500	0	1,500	0	0	0	0	1,500
Parks & Open Spaces										
Condition Surveys - Parks & Pavilions	Carry out works to address problems identified in condition surveys.	Not scored	1,950	2,863	146,355	5,000	0	0	0	154,218
Main Paths at Bakewell Recreation Ground	Resurfacing worn areas. Completed.	62	25,000	24,519	16,060	0	0	0	0	40,579
Bakewell Riverside Path	Feasibility study for re-instatement of river bank. Specification required.	37	0	0	10,000	0	0	0	0	10,000
Capital contribution to White Peak Cycle Loop	Awaiting Derbyshire County Council to arrange feasibility survey - Now planned for February 2019	0	0	2,895	20,000	0	0	0	0	22,895
M.U.G.A. at Hall Leys Park	Convert tennis court to M.U.G.A. Works completed.	58	18,000	18,469	0	0	0	0	0	18,469
Hall Leys Park Ranger Station	Remedial works following fire damage. Completed. Awaiting snagging issues.	58	60,000	47,089	17,893	0	0	0	0	64,982

SCHEME	COMMENTS	PRIORITY RATING	2017/18 ESTIMATE APPROVED MARCH 2018	2017/18 OUT-TURN	2018/19 UPDATED ESTIMATE INCL. SLIPPAGE	2019/20 ESTIMATE	2020/21 ESTIMATE	2021/22 ESTIMATE	2022/23 ESTIMATE	TOTAL
		%	£	£	£	£	£	£	£	£
Burials										
Wirksworth Steeple Arch Cemetery Land Purchase etc.	Land to enable extension of burial ground to meet demand. Land purchased awaiting specification for burial ground	Not scored	0	0	25,000	35,000	0	0	0	60,000
Paths at Bakewell Cemetery	Works underway. Vehicle route completed; paths to be completed in 2018/19.	0	11,000	11,830	3,749	0	0	0	0	15,579
Burials Review	Acquisition of additional land to provide future burial provision for up to 100 years.	64	0	0	44,000	0	0	0	0	44,000
Commercial vehicles - Vans, lorries etc.	Replacement of Fleet vehicles for workforce. Some replacements deferred from 2017/18 to 2018/19.	Not scored	451,000	199,414	441,586	215,000	180,000	207,000	632,000	1,875,000
Sub Total - A Clean and Safe District			671,910	407,445	729,603	255,000	180,000	207,000	632,000	2,411,048
Continue to Seek Efficiencies and Innovative Working Practices										
Transformational Projects										
Electronic Document Management System	Procurement of an EDMS as agreed in the Administration Service Review. Licence purchased, contractor commenced work on project.	Not Scored	31,000	14,688	16,312	0	0	0	0	31,000
Sub Total - Efficiencies and Innovating Working Practices			31,000	14,688	16,312	0	0	0	0	31,000
Miscellaneous/Other Schemes										
Miscellaneous Grants	Village Halls, Village Car Parking, Play Equipment	Not scored	30,000	30,000	30,000	30,000	0	0	0	90,000
Planning Conservation/Enhancement Grants	Completed (2017/18 expenditure includes £2,910 relating to 2016/17).	37	5,500	8,410	0	0	0	0	0	8,410
Carsington Fund Grants	Community Grant fund administered by DDDC. Balance of CRF to finance future grant applications.	Not scored	0	0	6,690	6,690	6,690	6,690	6,692	33,452
Bakewell ABC Condition Survey Works	Carry out works to address problems identified in condition surveys. Work is ongoing.	Not scored	8,500	1,216	8,500	0	0	0	0	9,716

SCHEME	COMMENTS	PRIORITY RATING	2017/18 ESTIMATE APPROVED MARCH 2018	2017/18 OUT-TURN	2018/19 UPDATED ESTIMATE INCL. SLIPPAGE	2019/20 ESTIMATE	2020/21 ESTIMATE	2021/22 ESTIMATE	2022/23 ESTIMATE	TOTAL
		%	£	£	£	£	£	£	£	£
Matlock Town Hall - Works Identified in condition surveys	Carry out works to address problems identified in condition surveys. Work is ongoing.	0	181,045	6,407	237,854	0	0	0	0	244,261
Travellers' Site	Design Brief	0	0	0	10,000	0	0	0	0	10,000
Leisure Centres										
Ashbourne Leisure Centre Improvements	Conversion of the Community Room into a Group Exercise Studio. Completed.	Not scored	15,000	21,340	0	0	0	0	0	21,340
Pedestrian Footbridge at ARC Leisure Centre	Repairs to Pedestrian Footbridge. Completed.	90	25,000	35,316	0	0	0	0	0	35,316
Wirksworth Leisure Centre - Condition Survey Works	Works to address problems identified in condition surveys. Work is ongoing - to be reviewed based on new survey information. Reduced budgets to reflect transfer of liability under leisure management contract.	Not scored	50,000	2,172	5,000	0	0	0	0	7,172
Wirksworth Leisure Centre Sports Hall Flooring	Replacement floor in main sports hall. Works to be completed by 1 August 2018. Increased costs offset by grant.	48	50,000	2,895	69,138	0	0	0	0	72,033
Ashbourne Leisure Centre Condition Surveys	Carry out works to address problems identified in condition surveys. De-humidifier works have commenced. Reduced budgets to reflect transfer of liability under leisure management contract.	Not scored	312,717	83,640	255,779	0	0	0	0	339,419
Capital investment: leisure centre management contract	Improvements to leisure centres including installation of soft play area, children's party room, exercise studio and changes to café at Arc Leisure.	Not scored	0	0	1,200,000	0	0	0	0	1,200,000
Replace AHU and BSM at Arc Leisure, Matlock	Replacement of Air handling unit and Building Management System	Not Scored	0	0	35,000	0	0	0	0	35,000
Public Conveniences										
Matlock Bath Memorial Gardens Toilets	Refurbishment of toilets – release of retention. Completed.	0	15,171	14,713	0	0	0	0	0	14,713
Condition Survey Works	Carry out works to address problems identified in condition surveys. Reduced budget for 2018/19 to reflect outcome of public conveniences review.	0	4,488	0	20,000	0	0	0	0	24,488
Rural Conveniences	Repairs/refurbishment of buildings & to fund grants required in public conveniences review. Work delayed until 2018/19 pending outcome of public conveniences review	0	3,355	0	40,540	0	0	0	0	43,895
Public Conveniences charging / entry system	Equipment to enable charging to be introduced at specific public conveniences, as agreed in public conveniences review.	Not scored	0	0	136,000	0	0	0	0	136,000

SCHEME	COMMENTS	PRIORITY RATING	2017/18 ESTIMATE APPROVED MARCH 2018	2017/18 OUT-TURN	2018/19 UPDATED ESTIMATE INCL. SLIPPAGE	2019/20 ESTIMATE	2020/21 ESTIMATE	2021/22 ESTIMATE	2022/23 ESTIMATE	TOTAL
		%	£	£	£	£	£	£	£	£
Information Technology										
Disaster Recovery Storage	Replace disaster recovery storage. Revised as per outcome of tender.	Not Scored	11,652	11,652	0	0	0	0	0	11,652
Matlock Town Hall Re-cabling	To address issues with existing cabling – Works delayed until 2018/19: expected to be completed in June 2018.	58	70,000	2,374	70,000	0	0	0	0	72,374
Microsoft Enterprise Agreement	Replacement for Windows 7 and Office 2010. Due 2020/21	63	0	0	0	0	80,000	0	0	80,000
Virtual Desktop Server Replacement	To provide a virtual desktop solution. Deferred to 2018/19 due to lack of resource and delays on Office 2013 deployment.	70	28,000	0	28,000	0	0	0	0	28,000
Microsoft Windows Server Licence Upgrade	Upgrade of windows licences. Due to commence in 2018/19.	70	0	0	12,000	0	0	0	0	12,000
Income Management System Upgrade	Upgrade to version 11 to remain supported. Order placed.	70	15,000	0	15,000	0	0	0	0	15,000
Financial Management System Upgrade	Upgrade required in order to remain supported. Expected to be completed by March 2018.	70	21,000	20,925	0	0	0	0	0	20,925
Capital Salaries	Project management on various schemes: Allocated to specific schemes at year-end.	Not Scored	25,000	0	25,000	25,000	25,000	25,000	25,000	125,000
Sub Total - Miscellaneous/ Other			863,585	248,903	2,204,501	61,690	111,690	31,690	31,692	2,690,168
Total of Proposed Capital Programme for Approval in May 2018			3,039,954	2,022,758	5,931,232	1,748,063	745,563	692,563	663,690	11,803,871

POTENTIAL FUTURE CAPITAL LIABILITIES NOT IN DRAFT PROGRAMME

CATEGORY	COMMENTS	EST. COST £	
CAR PARKS:			
Henmore Centre, Ashbourne	Sainsbury's scheme delayed. Cost of demolition & car park provision.	90,000	
Various Car Parks	Surface repairs & full re-lining	20,500	
			110,500
PARKS:			
Bowls Pavilion, Ashbourne	Significant repairs required: may need to include cost of demolition.	20,000	
Broadwalk Park	Paths	10,000	
Ashbourne Park Buildings	Bandstand and other buildings	12,000	
			42,000
CEMETERIES & CHURCHYARDS:			
Bakewell Cemetery Chapels	Repairs identified in 2009 survey	15,000	
			15,000
OTHER PROPERTY:			
Bakewell ABC	Flat roof gutters, ventilation/decoration, CCTV	60,000	
Arc Leisure, Matlock	Footpath improvements	10,000	
Traveller Site	New site(s) to meet housing need	To be determined	
Lovers Walks, Matlock Bath	Detailed inspection of cliff faces, design of scheme & cost of remedial works	To be determined	
Station House, Matlock	Significant repairs identified in 2009 survey	20,000	
Ashbourne Leisure Centre	Full external redecoration required	20,000	
Matlock Town Hall	Replace metal windows (identified in 2014 condition survey)	210,000	
			320,000
OFFICE TECHNOLOGY:			
Replacement switchboard	Post 2017 & subject to business plan & maintenance of current equipment	100,000	
Backup storage replacement	Replace existing hardware at end of life	28,000	
Production Server replacement	5 year replacement cycle	30,000	
Disaster recovery Storage	5 year replacement cycle (shared procurement)	15,000	
			173,000
	Total		£660,500

BACK TO AGENDA

COUNCIL
31 MAY 2018

Report of the Head of Regeneration and Policy

PERFORMANCE MANAGEMENT – KEY & CORPORATE PERFORMANCE INDICATORS OUTTURN 2017/18

PURPOSE OF REPORT

This report summarises the outturn performance against the District Council's Key & Corporate Performance Indicators for the year 2017/18, demonstrating where services have been performing strongly and where improvements can be made.

RECOMMENDATION

1. The outturn performance against Corporate Plan targets for 2017/18 be noted.
2. The outturn performance against the Key Performance Indicators for 2017/18 be noted.
3. Bi-annual reports continue to be brought to Council to highlight progress, demonstrate good performance, and address areas for improvement.
4. That Council approve modifications to the performance targets detailed in Section 4 of this report.

WARDS AFFECTED

All.

STRATEGIC LINK

The Corporate Plan sets out the District Council's priorities and areas for improvement, and identifies targets to be achieved. Service Plans, policies and strategies supplement the Corporate Plan. Within individual Service Plans there are a small number of Key Performance Indicators, which set out the targets for more routine operational achievement within those service areas. The District Council's Performance Management scheme monitors progress against these Key and Corporate Performance Indicators and identifies improvements.

1 BACKGROUND

- 1.1 The Corporate Plan (adopted by Council in November 2015) sets out the District Council's priorities and areas for improvement. It identifies a number of priority targets to be achieved each year. These targets set out the District Council's main actions as to what it wishes to achieve to help meet its top priorities.
- 1.2 For 2017/18, there were thirteen Corporate Plan targets set by Council in March 2016. These covered the three priority areas of:

- (1) Business Growth and Job Creation;
- (2) Affordable Housing; and
- (3) Market Towns.

These priority areas were to be achieved whilst also maintaining a clean and safe District and continuing to seek efficiencies and innovative working practices.

- 1.3 In addition, within individual Service Plans there are a small number of key targets for achievement within those service areas. These twelve Key Performance Indicators measure how well the District Council is doing at maintaining basic service standards. They cover services such as determining planning applications in good time, paying bills on time, collecting Council Tax efficiently, and paying benefits claims promptly.
- 1.4 A mid-year report on both the Corporate Plan targets and Key Performance Indicators was provided to Council on 30 November 2017, and a quarter 3 report on the Corporate Plan targets was provided on 5 March 2018. This latter report also set performance targets for the 2018/19 year.

2 PERFORMANCE MANAGEMENT

- 2.1 The District Council's Performance Management scheme is the means by which we understand how well our services are performing. It demonstrates whether or not we are on target, and highlights good performance. Where improvements are required, it helps achieve this by setting out and monitoring actions required. Performance management is good management.
- 2.2 By doing so, the District Council demonstrates that it knows:
 - what its priorities are
 - what it is aiming for
 - what it must do to achieve these aims
 - how it measures progress, and
 - when it is appropriate to take remedial action to address underperformance.

- 2.3 The District Council's Performance Management Handbook¹ sets out the performance management process that uses the following classification at outturn:

Green = has fully achieved the year's target on time

Amber = has partially achieved the target and is on track to fully achieve the year's target albeit later than planned

Red = has not achieved year's target and is unlikely to do so.

3 COUNCIL PERFORMANCE – OUTTURN 2017/18

- 3.1 Overall, of the 23 performance indicators for the financial year 2017/18 for which data is available, 15 (65%) were fully or partially achieved, as Table 1 shows:

¹ http://www.derbyshiredales.gov.uk/images/documents/P/Performance_Management_Handbook_2017-18.pdf

	No. of Targets	Green	Amber	Red	TBC*	N/A
Corporate Plan targets	13	6		6		1
Key Performance Indicators	12	9		2	1	
TOTAL	25	15		8	1	1

Table 1 - Summary of Performance Indicator Outcomes

* Data is awaited to show the % household waste recycled (this data will not be available from partner organisations until the end of May 2018).

3.2 A lower proportion of Corporate Plan targets were fully achieved (6 out of 13, or 46%) as compared to Key Performance Indicator targets (9 out of 12, or 75%). Corporate Plan targets tend to be project based and involve a range of partners; they are therefore more complex and subject to factors outside the Council's direct control, which often means the timescales for delivery become extended.

3.3 Table 2 below divides indicators by service related and Corporate Plan priority area. The strongest performance is evident from the Revenues and Benefits and Planning service areas:

Service Area	No. of Targets	Green	Amber	Red	TBC	N/A
Organisational Health	3	1		1	1	
Housing	1	1				
Planning	4	3		1		
Revenues & Benefits	4	4				
Corporate Plan Priority Area						
Other	1					1
Business Growth & Job Creation	4	2		2		
Market Towns	5	2		3		
Affordable Housing	3	2		1		
TOTAL	25	15		8	1	1

Table 2 - Performance Target Outturn by Service & Corporate Priority

3.4 The detailed outturn position for each of the key performance indicators for 2017/18 is set out in **Appendix 1**.

3.5 Performance **highlights** from 2017/18 include:

- the percentage of Council Tax collected within the year was 98.8%, which is 0.6% above the target level and the best collection rate in the past 10 years.
- the percentage of non-domestic rates collected within the year was 97.9%, which is 0.6% above the target level and the best collection rate in the past ten years.
- the speed of processing new benefits claims has improved to 18.75 days, which is better than the target level and is the best performance in the last 4 years (19.15 days in 2016/17, 22.5 days in 2015/16, 27.1 days in 2014/15). This is in the face of increased workload, regulatory and IT system change.

- the number of adaptations provided to homes of disabled people was 88 (53 more than target) and the greatest number over the last three years.
- the number of affordable homes completed was 76 against a target of 63.

3.6 The 8 targets that were **not achieved** are described below; of these five had already been flagged as uncertain of achievement at or prior to the Q3 reporting stage:

1. The percentage of appeals allowed against District Council decisions to refuse planning applications was 31%. The target of 20% or less has failed to be met for the past 3 years and has been at a similar level (25% in 2016/17 and 28% in 2015/16) which is why the revised target of <27% for 2018/19 has previously been agreed. The national average remains higher at 32% (over the last three years). In future an annual appeals report will be brought to the relevant committee which will consider appeals performance and reasons for overturns in more detail.
2. The number of new business start-ups enabled by Derbyshire Dales Business Advice was 9 below target (16 start-ups against a target of 25). The requirement from the ERDF funding regime for a minimum of 12 hours client support to be recorded before a business assist can be 'enabled' continues to impact on the statistics. In addition, a number of pre-start businesses supported have yet to start trading.
3. The access road at Ashbourne Airfield – the scheme progressed to Full Business Case stage but was paused as Derbyshire County Council and landowners pursued the opportunity to serve whole site via single roundabout. LEP funding has now been re-allocated to 2018/19. A new planning application is in preparation and detailed design will be commissioned to enable re-tendering and updates to be made to the Business Case for LEP consideration and start in 2018/19.
4. Management of the restoration of wrought iron railings at St Mary's Church - the project should have started in Summer 2017 when the weather was more favourable to outside work. However, the start was delayed whilst the necessary 'licence to occupy' was drawn up and further delays have been experienced with unforeseen conditions of the stonework which have slowed work.
5. Number of social housing tenants supported was 131 against a target of 150 – Although the target was missed by 19 people (13%), the amount of debt being managed through this programme rose from £977K in 2016/17 to £1.3m in 2017/18. The complexity of cases has therefore increased and more time is required to deal with fewer clients.
6. Satisfaction with keeping areas free from litter - customer satisfaction was 3% lower than the target level (at 72% against a target of 75%); however when satisfaction was measured in 2016/17 it was 65%, so this year has seen a 7% improvement.
7. Working days lost due to sickness- although the target of 8 days average was missed by 0.88 days per FTE it is an improvement of 0.31 days per FTE compared to last year, and the number of days lost has gone down by 11.6% from last year. The number of days lost due to long term absence has fallen from 51% to 35% of days lost. Medium term absence (1-4 weeks) remains the same but short term absence has increased from 28% of days lost to 42%.
8. Stall market occupancy – this is 19% below target, but remains at the same level as last year at 51% (compared to 52% in 2017/18); this indicates the challenges facing markets despite efforts to rejuvenate them.

4 PERFORMANCE 2018/19

- 4.1 The Corporate Plan and Service Plans approved by Council on 5 March 2018 set out the Corporate Plan targets and Key Performance Indicators for 2018/19. Year-end data has prompted reflection on a few of the target levels and proposed changes are specified below. Service Plans are being updated to include 2017/18 outturn data and will be published on the District Council's website by 30 June 2018. They also set out our key actions and targets for 2018/19, which feed into the District Council's Corporate Plan.
- 4.2 It is proposed to continue to report performance to Members at Council meetings twice a year. This will highlight progress, demonstrate good performance where it occurs, and focus on areas for improvement that emerge during the year.
- 4.3 In respect of the target for the number of disability adaptations, the indication from our partner agency is that a budget of £491,470 will be available for the next financial year. Provided this is confirmed, it is recommended that the target for the number of adaptations to the homes of disabled people be increased to from 50 to 70.
- 4.4 The target for the number of new business start-ups enabled is considered to be challenging, especially given the ERDF requirements. It is therefore recommended that the target be reduced by 5 from 25 to 20.
- 4.5 It is also recommended that the wording for the indicator in respect of efficiency savings will be modified to add the word 'ongoing'. This will clarify that any savings counting towards this target must be applicable year on year, rather than one off savings. For the next financial year it will read 'Continue a programme of efficiency savings and service reviews with a target of generating £1,000,000 in ongoing savings by 2020/21'.
- 4.6 The wording regarding CORP8b on stall markets requires changing to: 'Increase the stall occupancy of each market operated by the District Council by 2% above 2017/18 occupancy levels'. This is to reflect the fact that there have been and in future could be changes in the number of markets run by the District Council.
- 4.7 The wording and associated target of the indicator regarding homeless households requires altering to read: 'the percentage of homeless households seeking assistance from the Council for whom this intervention helped resolve their situation - 50% target'. This change has been triggered by the introduction of the Homelessness Reduction Act on 3 April 2018. This introduced a new duty to offer housing interventions to anyone seeking help if they are homeless or threatened with homelessness. All interventions will be reported to Government, not just those who were owed a homelessness duty under the old homelessness legislation. This indicator will therefore report all those presenting to the Council who are owed a duty under the new legislation.

5 RISK ASSESSMENT

5.1 Legal

The Corporate Plan and relevant Service Plans are compliant with all relevant legislation. The legal risk is assessed as being low.

5.2 Financial

There are no financial considerations arising from the performance management report. Where Corporate Plan targets or Service Plans actions have resource implications, these have been accounted for in existing budgets.

5.3 Corporate

There is a risk that Corporate Plan targets or Key Performance Indicators may not be achieved, with possible service and reputational consequences for the District Council. To mitigate this, progress is monitored quarterly by Service Heads and by the Corporate Leadership Team.

6 OTHER CONSIDERATIONS

- 6.1 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.

CONTACT INFORMATION

Corinna Beatson, Policy Officer

Tel: 01629 761243 E-mail: corinna.beatson@derbyshiredales.gov.uk

BACKGROUND PAPERS None

ATTACHMENTS

Appendix 1 Key Performance Indicators Outturn Data 2017/18

BACK TO AGENDA

Key Performance Indicators Outturn Data 2017/18

Service Area / CMT Lead	Ref	Description	Lead	Unit	2016/17 Target	2016/17 Outturn	2017/18 Target	2017/18 Q1	2017/18 Q2	2017/18 Q1 & Q2 cumulative	2017/18 Q3	2017/18 Q1, Q2 & Q3 cumulative	2017/18 Q4	2017/18 Outturn	2017/18 Target achieved	Commentary 2017/18	Year end commentary 2017/18	Annual Improvement Trend	2018/19 Target
Organisational Health	BV8 (AE 15)	% of undisputed invoices paid on time	David Kay	%	99.00%	99.65	99.00%	99.78%	99.77%	99.78%	99.85%	99.80%	99.01%	99.62%	✓	Q1: In May and June 2017 all undisputed invoices were paid on time. A very good start to 2017/18. Q2: Three more good months, only 6 late invoices have been paid so far this year. Q3: Very good performance so far, no bad months. Only 9 out of 4,051 invoices have been paid late so far this year. Q4: After lower than normal performance in January which saw 7 late payments (4 were to the same supplier), and February, performance recovered in March to reach 99.01% for the 4th Quarter. This was achieved whilst also implementing the latest Agresso software upgrade (it went live on 2nd March).	Another good performance with only 20 out of 5,267 invoices paid late all year. 99.62% is just below last years record of 99.65%	-	99.00%
	NI 192	% of household waste which has been sent for reuse, recycling, composting or anaerobic digestion	Sally Rose		56.0%	56.98%	56.0%	65.6%	59.4%	62.4%	54.0%	59.9%	Data not yet available	Data not yet available	Data not yet available	Q1: The percentage is higher (by 4.8%) than Q1 2016 (Composting tonnage increased, recycling tonnage decreased slightly and landfill tonnage decreased). Q1 is always higher than other quarters due to increased composting tonnages during this period. Q2: The percentage is lower than Q2 2017 (Composting tonnage and recycling tonnage decreased and landfill tonnage increased). However the combined Q1 and Q2 total is higher than the combined Q1 and Q2 total for 2016. Q1 and Q2 are always higher than other quarters due to increased composting tonnages during this period. Q3: This quarter is always lower than Q1 and Q2 due to the decreased composting tonnages during this winter period, although the Q3 percentage for 2017/18 is very slightly lower than Q3 last year. The year to date total shows a higher percentage of household waste has been recycled than this time last year. The amount of all types of waste collected has decreased.			57.0%
	HRKPT/Quarterly LG Uniform Metric 4	Average no. working days lost due to sickness absence per FTE employee quarterly	Deborah Urwin/ Alice Dick/ Emma Bramwell	days	8.00	9.19	8.00	2.86	1.92	4.78	1.59	6.37	2.51	8.88	✗	Q1: The first quarter figure was better than last years 8.63 days lost but worse than the previous year (1.81 days lost). Q2: The Q1 and Q2 cumulative figure for 2017/18 is 0.58 days per FTE employee higher than at the same period in 2016/17 (4.28 days lost). Sickness Absence by service is reported monthly to Heads of Service to enable them to support staff and to manage situations where necessary. There are no specific trends apparent but managers will continue to be advised when staff hit trigger points so that they can support and manage absence. Q3: The outturn for Q3 suggests that the year end target of 8 days average per FTE may not be met. Support to employees unable to work through ill health and management of absence continues in accordance with our Sickness Absence Management Policy. Q4: The number of days lost in Q4 has risen from Q3. Absence by service is reported monthly to Heads of Service to enable them to support staff and to manage situations where necessary Year.	Although the target of 8 days average was not met, the number of days lost has gone down by 11.6% from last year. The total number of days due to long term absence has fallen from 51% of days lost to 35% of days lost. Medium term absence (1-4 weeks) remains the same but short term absence has increased from 28% of days lost to 42%. A full report has been considered by Corporate Leadership Team on days lost but also support given to staff who are unwell (from managers, through occupational health and our, self-referral counselling service).	↑	8 days
Housing	BV 213	No. of homeless households for whom intervention resolved their situation (per 1,000 households in the district)	External organisations via Rob Cogings		16	24	16	This data is not available until the end of the year following returns from partner agencies	Awaiting report from CAB					25	✓			-	Re-worded target. The percentage of homeless households seeking assistance from the Council for whom this intervention helped resolve their situation 50% target
Planning	NI 157i	% of Major planning applications determined in 13 weeks	Tim Braund/ Jonathan Bradbury		>60%	92.3	>60%	50%	100%	83%	100%	88%	100%	92%	✓	Q1: Only 3 decisions made on major applications in this quarter - hope to recover later in the year. Q2: 9 decisions made in this quarter, 4 were made in time, 5 were subject to agreed extensions of time and have therefore been excluded from the calculation. Q3: 4 decisions made on major applications in this quarter and were determined in time, 2 were given extensions of time. Q4: 8 decisions in quarter 4 were made in time, 4 were subject to agreed extensions of time and have therefore been excluded from the calculation.	Year: Overall good performance. The nature of housing schemes and need for Section 106 agreements means that roughly half are subject to agreed extensions of time.	-	>60%
	NI 157h	% of Minor planning applications determined in 8 weeks	Tim Braund/ Jonathan Bradbury		>75%	77.9	>75%	84.5%	90.0%	88.7%	75.5%	84.8%	76.60%	83.20%	✓	Q1: Focused decision making has led to a quicker turn around in decision making now as compared to the same quarter last year (12.5% more planning applications have been determined in 8 weeks in Q1 this year compared to last). Q2: More decisions made in second quarter and greater use made of extensions of time - officers are able to record these but they must be signed off by a manager. Decision making has remained focused and case management has improved. Q4: Performance is satisfactory despite falling short of historic performance.	Year: Overall performance is good in this area.	-	>75%
	NI 157ii	% of Other planning applications determined in 8 weeks	Tim Braund/ Jonathan Bradbury		>90%	93.9	>90%	95.9%	94.8%	95.7%	93.3%	95.1%	87.30%	93.50%	✓	Q1: Focused decision making has led to a quicker turn around in decision making now as compared to the same quarter last year. (2.9% more other planning applications have been determined in 8 weeks in Q1 this year compared to last). Q4: Some falling off of performance. Need to maintain high standards.	Year: Overall performance for the year is good.	-	>90%
	BV 204	% of appeals allowed against LA's decision to refuse planning application	Tim Braund/ Jonathan Bradbury		<20%	25	<20%	57.0%	37.5%	46.6%	0.0%	33.0%	28.60%	31.40%	✗	Q1: There have been a limited number of appeals and 4 out of the 7 have been allowed. Q2: 3 out of 8 appeal decisions have been allowed, there is room for improvement through the remainder of the year but the % target may need revising in future. Q3: Won all 6 appeals this quarter. Q4: Some continued recovery in performance.	Year: Target is very challenging in the context of National performance has been revised for 2018/19.	-	<27%
Revenues & Benefits	BV 9 (ARB 1)	% of Council Tax collected within the year	Karen Henriksen		98.2%	98.66	98.2%	33.1%	N/A	61.5%	N/A	89.9%	N/A	98.8%	✓	Q1: 0.3% more Council Tax collected in Q1 2017/18 compared to the same quarter last year. Q2: Slight improvement compared to Q2 last year which was 61.0%. Q3: Performance is 0.4% better than at the same point last year.	Best performance of the last 10 years	↑	98.40%
	BV 10 (ARB 2)	% of Non Domestic rates collected within the year	Karen Henriksen		97.3%	97.7	97.3%	26.9%	N/A	62.4%	N/A	87.0%	N/A	97.9%	✓	Q1: 0.6% more NDR collected in Q1 2017/18 compared to the same quarter last year. Q3: Performance is 1.3% better than at the same point last year.	Best performance of the last 10 years	↑	97.30%
	BV 78a (ARB 3)	Speed of processing new claims (days)	Karen Henriksen		28.0	19.15	28.0	22.45	25.08	23.75	16.94	21.30	11.12	18.75	✓	Q1: New claims processed at the same speed as the same quarter last year. Q2: New claims processed at a slower speed than the same quarter last year (on average 6.4 days slower). Q3: Speed of processing claims has improved this quarter, and overall remains 1.22 days slower than at the same point last year. Q4: Processing during Q4 consolidated in-year improvements in performance.	DWP published data for Q2 shows that the latest national average for processing new claims is 22 days. Despite heavy workloads, the KPI target is met and is in keeping with national performance.	↑	24 days
	BV 78b (ARB 4)	Speed of processing: notifications of changes in circumstances (days)	Karen Henriksen		8.0	6.54	8.0	11.2	8.56	10.73	7.72	9.98	1.93	7.39	✓	Q1: Notifications of change to circumstances have taken 1.2 days longer to process compared to the same quarter last year. This is not dissimilar to the same quarter in 2016/17 and we should be reassured that historically performance improves as we progress through the year as Q4 year end processing tasks always increase the workload in this quarter. Q2: Notifications to change in circumstances have taken 1 day longer to process compared to the same quarter last year. Q3: Time taken to process change to circumstances is comparable with Q3 last year. Note that at year end we reassess all live HB and live CTS claims giving a 1 day processing time for all cases. This will assist us in meeting the KPI target. Q4: Yearend processing in Q4 ensured that targets were met.	DWP published data for Q2 shows that the latest national average for processing changes is 9 days. Workloads have been increased this year a result of ATLAS and RTI reported changes. Nevertheless, the KPI target is met and is in keeping with national performance.	↓	8 days
Other target	Corp Plan target (CORP11)	Continue a programme of efficiency savings and service reviews with a target of generating £1.6m in savings by 2019/20	Karen Henriksen	£	£1,000,000	£1,168,481	£1,600,000 by 2019/20. Reduced to £1m in March 2018.	Not available until end of Q4	Not available until end of Q4		Not available until end of Q4		N/A	Budget balanced for 2017/18	N/A		£600,000 of savings identified in 2017/18 and reflected in 2018/19 budget. Target reduced to £1m in March 2018	N/A	Not applicable – budget balanced for 2018/19. Target of generating £1 million in savings by March 2021

Business Growth & Job Creation	Corp Plan Target (CORP1)	No. of new business start-ups enabled by Derbyshire Dales Business Advice	Steve Capes/ Giles Dann		33	26	25	3	6	9	4	13	3	16	×	Q1: Numbers anticipated to increase in Q2 based on current client lists (1 less business start-up enabled than the same quarter last year). Q2: Numbers anticipated to increase in Q3 (1 less business start-up enabled than the same quarter last year). Q3: The ERDF requirement for 12hrs support per client is impacting on numbers assisted. The 'Launchpad' article in Autumn DalesMatters has led to a number of new clients engaged onto the programme, so further start-ups anticipated in Q4. Q4: The ERDF requirement for min 12hrs intensive assistance per client has impacted on overall numbers assisted. The Launchpad business start-up project has completed support to 12 pre-start businesses during 2017/18 but several of these are yet to start trading.		20	
	Corp Plan Target (CORP2)	No. of established businesses assisted by Derbyshire Dales Business Advice, enabling the creation of local jobs	Steve Capes/ Giles Dann		100	101	75	25	15	40	18	58	20	78	✓	Q1: On track (10 more businesses have been advised than in the same quarter last year). Q2: On track (3 more businesses have been assisted than at the same point last year, but 7 less businesses were assisted in Q2 compared to the same quarter last year). In addition a number of existing clients have continued to be assisted by the service e.g. with funding applications. Q3: On track (8 less businesses have been assisted than at the same point last year). Q4: Target exceeded. Tailored support provided through a mixture of 1:1 advice and business workshops. Range of micro-businesses and SMEs supported. Positive client feedback received.		75	
	Corp Plan Target (CORP3)	No. of businesses supported to access grants or loans from Government and Local Enterprise Partnerships	Steve Capes/ Giles Dann		20	22	8	0	0	0	7	7	3	9	✓	Q1: A number of businesses have been successful with Stage 1 LEADER and EAFRD EoIs and are being supported to prepare full applications. Decisions will be made in the autumn. Other businesses e.g. Canubble Systems Ltd. are being supported with an application to the D2 Enterprise Growth Fund. Some business have also been referred to SCR programmes for support. The number of projects 'in pipeline' suggests the year and target will be achieved. (1 grant) loan application was supported in the same quarter last year. Q2: Seven full LEADER applications from Dales businesses supported by the District Council's Business Advisor are due to be considered at October Local Action Group. Subject to approval only one further successful funding application will be required to achieve the target for the year (8). Other applications are being progressed through EAFRD and DCGF (11 grant/loan applications were approved in the same quarter last year). Q3: On track. 4 EAFRD (RDPE Growth Programme) applications prepared with clients and due for decision in Q4.	Target exceeded. £290,000 secured in grants inc. support for: Newburgh Engineering – building and new equipment; Matlock Plant Hire – new equipment and Parkgate Nursery	8	
	Corp Plan Target (CORP4)	Assist private sector partners to secure Growth Deal funding and commence work on a new access road at Ashbourne Airfield Industrial Estate by March 2018, opening up 8 ha of new employment land	Steve Capes/ Giles Dann	Assist private sector partners to secure Growth Deal funding and commence work on a new access road at Ashbourne Airfield Industrial Estate by March 2017, opening up 8 ha of new employment land	Final link road design and tender pack (required as part of Stage 2 approval process) scheduled for mid-May (information from some utilities still awaited). Investigation works on unadopted section of Blenheim Road completed. Initial draft business case prepared and project update meeting held with D2N2 LEP	Assist private sector partners to secure Growth Deal funding and commence work on a new access road at Ashbourne Airfield Industrial Estate by March 2017, opening up 8 ha of new employment land	Procurement of works will follow LEP decision and agreement with the landowner regarding funding contributions and economic outputs with a view to commencing the project in the final quarter of 2017/18	Full Business Case submitted to LEP August 2017	N/A	Updated Business Case prepared but project on hold as Derbyshire County Council are assessing opportunity to serve whole site (phases 1 and 2) via single roundabout off A52 in place of proposed signalised junction.	N/A	Project delayed. Submission of Stage 2 Full Business Case paused due to revised Highways proposals for a single access to serve both Phase 1 and Phase 2 development land at the Airfield site. A roundabout is now proposed in place of traffic signals and a revised planning application is anticipated in Q1 of 2018/19	Scheme paused	×	Q2: Dealing with initial LEP queries. D2N2 require DCC to procure the scheme (at risk) and address all queries prior to Board consideration, now anticipated in Jan 2018. Q3: Updated Business Case prepared but project on hold. Derbyshire County Council assessing opportunity to serve whole site (phases 1 and 2) via single roundabout off A52 in place of proposed signalised junction. Positive meeting held with landowners 12.01.18 and follow up meeting planned for February. Decision to be made end April on form of access and ability to serve both phases. Now targeting project start in 2018/19.	Scheme progressed to Full Business Case stage but paused as County Council and landowners pursue opportunity to serve whole site via single roundabout. LEP funding now re-allocated to 2018/19. New planning application in preparation and detailed design to be commissioned to enable re-tendering and updates to Business case for LEP consideration and start in 2018/19.	N/A	Assist private sector partners to secure funding and commence work on a new access road at Ashbourne Airfield Industrial Estate by March 2019, opening up 8 ha of new employment land	
Market Towns	Corp Plan Target (CORP 9a)	Subject to the results of the survey to be carried out by Matlock Bath Parish Council, conduct an audit of existing, replacement and new directional signs and interpretation signs between Matlock Bath and Cromford	Steve Capes	Subject to the results of the survey to be carried out by Matlock Bath Parish Council, conduct an audit of existing, replacement and new directional signs and interpretation signs between Matlock Bath and Cromford	Assist Matlock Bath Parish Council in conducting an audit of existing, replacement and new directional signs and interpretation signs between Matlock Bath and Cromford	Initial signage audit carried out with assistance from DDDC.	Audit completed June 2017	Audit completed June 2017	Audit completed June 2017	LEADER bid for signage funding successful.		Audit completed June 2017		✓	Q2: The District Council's offer of support was taken up on 1st June 2017, when a joint signage audit was undertaken by the District Council's Economic Development and Tourism Officer and the parish council Chair. The District Council is now supporting Matlock Bath's Community Interest Company with developing a LEADER funding bid for improved tourist signage in the village. Q3: It is understood the LEADER bid has been successful and funding has been awarded. Q4: The Matlock Bath Community Interest Company have advised that statutory permissions need to be sought and the location of future toilet facilities determined before directional signage can be erected.	Signage audit completed and assistance provided with making a subsequently successful bid to LEADER for funding.	N/A - target achieved		
	Corp Plan Target (CORP9b)	Manage the restoration of the wrought iron railings at St Mary's Church, Wirksworth, using capital funds	Keith Postlethwaite	Manage the restoration of the wrought iron railings at St Mary's Church, Wirksworth, using capital funds	Manage the restoration of the wrought iron railings at St Mary's Church, Wirksworth, using capital funds	Tender has been returned and evaluated. Outcome of tender notified, and at the end of June was in the standstill period prior to contract being let early in July. Works are anticipated to take approximately 6 weeks onsite and are expected to take place over the summer quarter. This will be confirmed when the contract has been awarded.	Contract drawn up by Legal together with a Licence to Occupy as the land is in Church ownership. Initial site meeting held with Contractor, works due to start onsite Oct 17 for approx. 2 months.	N/A	The project was originally scheduled to have been started in the summer, when the weather was more favourable to outside work. The start was delayed and further delays have been experienced with unforeseen conditions of the stonework which have slowed work. Some of the Railing repairs are to be undertaken onsite and this will have to be done when the temperature is milder and there is no rain to ensure the paint takes.	N/A	Q4: Weather has been poor during this quarter too and therefore onsite works have not been completed. The contractor has revised works and removed further railings from site to undertake more works inside. The newly quarried stone for the replacement coping stone has been poor, and therefore further delays have been incurred waiting for better stone. The contractors now have the stone and have indicated completion on site by the end of May, subject to the weather.	Work to restore the railings is well underway and is forecast to be completed by the end of May 2018	N/A	The project should have been started in the summer when the weather was more favourable to outside work. The start was delayed and further delays have been experienced with unforeseen conditions of the stonework which have slowed work.	N/A	Indicator to be carried forward as not yet achieved			
	Corp Plan Target (CORP9a)	Increased overall average stall occupancy at District Council stall markets to 70%	Ash Watts	%	72%	52%	70%	68%	60%	64%	52%	60%	34%	51%	×	Q1: Stall occupancy for this quarter has been as follows: Ashbourne Saturday – 58%, Ashbourne Thursday – 80%, Bakewell – 91%, Wirksworth – 42%. Q2: The markets at Ashbourne have seen a decline in stall occupancy, Bakewell and Wirksworth have maintained occupancy levels. Stall occupancy this quarter has been: Ashbourne Saturday- 50%, Ashbourne Thursday- 45%, Bakewell- 91%, Wirksworth - 54%. Q3: Ashbourne Saturday market has seen an 18% decrease in stall occupancy compared with Q2 and which continues a declining trend since Q1. Bakewell saw a 10% decrease. No particular reason has been identified for the decreases, but more promotion of the markets is planned - to encourage new traders. Stall occupancy at the other markets has remained comparable with Q2. Stall occupancy this quarter has been: Ashbourne Saturday – 32%, Ashbourne Thursday – 40%, Bakewell – 81%, Wirksworth – 54%. Q4: Stall occupancy for this quarter has been: Ashbourne Saturday - 23%, Ashbourne Thursday - 11%, Bakewell - 59%, Wirksworth (until 5 March 2018) - 37%.	The average occupancy levels over the year have been as follows: Ashbourne Saturday 41%, Ashbourne Thursday 42%, Bakewell 75% and Wirksworth 44%	-	Re-worded target: Increase the stall occupancy of each market operated by DDDC by 2% above 2017/18 occupancy levels
	Corp Plan Target (CORP9b)	Pilot two specialist markets within existing District Council stall markets	Ash Watts		Pilot four specialist markets within existing District Council stall markets	1	Pilot two specialist markets	0	1	1	2	2	2	2	✓	Q1: The Ashbourne Artisan market is due to start on 10th September and the Bakewell Christmas Weekend will take place in November. Q2: The Artisan market at Ashbourne started on 10th September. Q3: The Bakewell Christmas Weekend took place in November.	Two specialist markets were held: an Artisan Market started in Ashbourne on 10th September and a Christmas weekend market was held in November.	↑	Encourage 2 more themed and farmers markets within existing District Council stall markets
	Corp Plan Target (CORP 10)	% customer satisfaction overall with Derbyshire Dales District Council keeping areas including highways free from litter	Helen Carrington/ Helen Spencer		N/A- New for 2017/18	75%	Not available until after annual survey autumn 2017	72%	72%				72%	×	Q2: Response from annual on-line panel survey.	Customer satisfaction was 3% lower than the target level, however this was measured in 2016/17 at 65%, so this year has seen a 7% improvement.	↑	75%	
Affordable Housing	Ni 155 (CORP5)	No. of affordable homes completed	Rob Coggins		39	36	63	2	13	15	11	26	50	76	✓	Q1: The majority of units are well advanced and should complete from Q2 onwards. Q2: 7 homes on former Dales Housing garage sites and 6 bungalows in Ashbourne completed this quarter. Q3: 5 units on Dales Garage sites at Matlock completed Oct 17, 6 at Moorcroft completed Dec 17. A further 59 units should also complete in Q4 taking the total to 85. Q4: Chesterfield Golf Club, Matlock 8 units (further 50 to follow); Wirksworth, Derby Road (Stafford House, NCHA) 33 completed March 2018; Bentley Bridge, Matlock, Harron Homes 7 units completed Feb 18 (further 13 to follow probably August 18); Hlland Ward, 1 bungalow (private developer, PRHRA); and Matlock, 1 final garage unit completed.	Thirteen extra homes than anticipated were completed this year. The garage sites from 2016/17 completed slightly later than expected bringing them into this year and extra homes at Chesterfield Road (Matlock) were gained through windfall funding of Government underspend used to purchase market value homes and convert these to affordable homes.	↑	105

Corp Plan target (CORP6)	No. of social housing tenants affected by Welfare Reform supported to access financial and budgeting advice, and where necessary, help move home	Rob Cogings		150	150	150	36 new clients	36	72	25	97	34	131	x	Q1: 36 new clients were advised in Q1, which is comparable to Q1 in the previous 2 years (when 38 and 39 people were supported). 33 clients continue to receive support from 2016/17. 474 debt issues have been tackled with £230,000 of debt managed and £15,000 gained for clients in unclaimed benefits, budgeting advice and accessing utility bill reduction schemes. Q2: 36 new clients advised in Q2, which is again comparable to Q2 last year (when 38 people were supported), with a further 18 continuing clients supported. 313 Debt issues tackled, a total of £562,070 of debt managed and £9,482 in financial gains for clients. Q3: 25 new clients were advised in Q3, which is lower than Q3 last year (when 38 people were supported), with 24 continuing to receive support. 154 debt issues were tackled resulting in £240,769 of debt managed and £21,844 in financial gains. Q4: 34 new clients advised, 23 continuing clients supported, 312 debt issues tackled and £251,370 of debt managed. The Q4 period was particularly busy following post Christmas referrals by households affected by debt accumulated over Christmas, people on zero hour contracts who had been given less work and people with utility debts brought about by the cold weather.	The target was missed by a fairly narrow margin of 19 people (13%), this was caused by the cumulative effect of slightly less clients being supported throughout the year, particularly (as previously flagged up) in Q3 where there were 13 less. However, all clients that presented were supported.	↓	Re-worded target: Provide debt and welfare advice to 250 vulnerable households
Corp Plan target (CORP7)	No. of adaptations provided to the homes of disabled people	Tim Braund		35	55	35	15	26	41	18	59	29	88	✓	Q1: continues the high number of Disabled Facilities Grant installations seen in 2016/17. Q2: Further large increase in demand on service due to lack of funding previously provided by Dales Housing (now Waterloo). Annual target already exceeded in first two quarters of year. Q3: Continued high number of grants completed, reflecting increased numbers of applications, fortunately matched by increased levels of Government grant. DDDC still dealing with all Waterloo Housing Group adaptations in the district. Q4: Workload remains high, completions increased as pushed for in-year spend.	Year: Number high due mainly to dealing with all Waterloo Housing Group adaptations. Additional funding enabled all work to be completed within externally funded budget.	↑	70 (please note this is an increase on the previous 2018/19 target of 50, and is dependent on the forecast budget of £491,470 being confirmed by our partner agency)

BACK TO AGENDA

COUNCIL
31 MAY 2018

Report of the Head of Resources and the Head of Regeneration and Policy

BUSINESS RATES DISCRETIONARY RELIEF

PURPOSE OF REPORT

To update Members on measures to secure funding for discretionary rate relief to support those businesses delivering additional high-quality jobs in the Derbyshire Dales, and to consult on proposals that aim to protect local charities and not-for-profit organisations.

RECOMMENDATIONS

1. The update is noted.
2. Consultation be carried out on capping discretionary rate relief at either £5,000 or £10,000 per annum for any one property.
3. A new Business Rates Discretionary Relief policy is brought to Council in September 2018 on the basis of the further consultation results

WARDS AFFECTED

All

STRATEGIC LINK

Economic development is highlighted in the Corporate Plan 2015-2019 as the District Council's highest priority. *Business growth and job creation* is the top priority, following extensive public consultation confirming that a thriving district is residents' overriding wish. The District Council's vision is for a Derbyshire Dales with high-wage, high-skill jobs.

1 BACKGROUND

- 1.1 At the Council meeting on 12 October 2017, Members approved for consultation a set of options for a comprehensive policy on discretionary non-domestic rate relief. All potentially affected organisations were subsequently written to, with information on how each option could affect the organisation, how to respond to the consultation, and contact details for further information or queries.
- 1.2 Members considered the results of that consultation at a Special Council meeting on 5 March 2018. Whilst there was a clear wish from the consultation to support business growth and job creation, none of the options for achieving this stood out. The District Council's priorities, coupled with the

overall thrust of the consultation findings, indicated a direction to support business growth by restricting some discretionary relief – but it was strongly felt that any future changes to discretionary relief should not excessively affect smaller organisations. Members therefore decided to consult on three preferred options for changing the District Council's discretionary relief policy in order to fund new rate reliefs to support better quality jobs and business growth.

- 1.3 In agreeing to consult further, officers undertook to fully involve Members including providing lists of organisations to be consulted, in order to ensure all organisations were engaged. It was also made clear that officers would continue to seek alternative means of funding the new business growth job creation reliefs.

2 SMALL BUSINESS RATE RELIEF (SBRR)

- 2.1 Through further investigation and liaison with arvato, it has become evident that a number of not-for-profit organisations could be eligible for 100% Small Business Rate Relief (SBRR) as an alternative to discretionary relief. Until recently, 100% SBRR was only offered on a year-by-year basis, but the Government has now made it permanent.
- 2.2 There are three good reasons to transfer eligible organisations from discretionary relief to SBRR. The first is that Small Business Rate Relief is statutory, and not liable to be reduced any time soon (whereas discretionary rates policy is subject to review). The second is that the Council receives half the cost of SBRR back from the Government. In essence, **discretionary rate reliefs are paid for by the local Council Tax payer in full; whereas with SBRR half the cost is met by the Government.** A third reason is that, in qualifying cases, SBRR can be backdated to 2012.
- 2.3 Transferring to SBRR could therefore represent a permanent benefit for the organisation and a gain for the Council.
- 2.4 In most cases, transferring from 100% discretionary relief to 100% Small Business Rate Relief would be unlikely to impact upon these smaller organisations. Colleagues in Finance have contacted 42 potentially eligible smaller organisations with a view to confirming their entitlement to SBRR and, where appropriate, transferring them over to this relief. In order to transfer, organisations must have just one property of low rateable value; many clubs and small not-for-profit organisations in the Derbyshire Dales meet this criterion.
- 2.5 The report updates Members on the fact that rather than immediately consulting on the options presented at Council in March, we have first engaged with 42 smaller organisations to see if they can seamlessly transfer to SBRR. If the SBRR approach is viable, this could mean that instead of asking smaller organisations to pay £150 (or £300) towards their rates bill, the Council may not in fact need to ask them to pay anything.

- 2.6 On writing to these 42 organisations, Members were advised via a briefing note. A template copy of the letter sent to organisations was provided to all Members, along with the list of organisations written to. In order to help them reply, a pre-paid envelope was provided for each organisation to return a tear-off proforma. The contact details of the Business Rates Section were also provided. The aim was to ensure maximum engagement in this exercise.
- 2.7 The exercise should be largely complete by the Council meeting, and it is intended to provide a verbal update Members on this exercise.

3 NEXT STEPS

- 3.1 It is anticipated that transferring smaller organisations to SBRR will, by virtue of the fact that the Government refunds half the cost of SBRR to the Council, generate some but not all of the funding needed to support business growth and job creation reliefs.
- 3.2 Should this be the case, Members have various options available for generating the remaining funds. One option would be to ask the remaining small organisations to pay up to £150 (or up to £300) of their rates bill – as was previously proposed. However, this is not the preferred approach.
- 3.2 The approach recommended by officers to generating the remaining funds would be to cap the maximum amount of rate relief given for any one property in a year. This would affect only those rate payers with large bills. It is proposed to consult with a view to capping discretionary rate relief at either £5,000 or £10,000 per annum for any one property.
- 3.3 As agreed in March, this consultation would fully involve Members by providing them lists of organisations to be consulted, in order to ensure all organisations were engaged. Consultation would also cover representative voluntary sector and business groups.
- 3.4 It would then be the intention to come back to Council in September 2018 with the consultation results and proposals for a new Business Rates Discretionary Relief Policy. Inherent in this policy would be supporting business growth without imposing an unviable impact on small community and voluntary organisations.
- 3.5 Should consultation enable the cap on business rate relief to be applied, the policy to be brought to Council in September would continue to fully exempt all village halls and similar community venues from business rates. Similarly, it would then be the intention NOT to change the 100% discretionary reliefs currently awarded to other eligible not-for-profits and charitable organisations (by way of the 20% top-up) – not only village halls and similar community venues, but also scouts, guides, WI, playgroups, churches etc. (except where they are so large they breach the caps above) would continue to receive 100% rate relief.

4 RISK ASSESSMENT

4.1 Legal

The Local Government Finance Act 1988 (as amended) provides the legal framework for the discretionary relief policy. It is considered that the legal risk is low.

4.2 Financial

There are no financial risks arising from the recommendations contained within this report. The implications of the new Discretionary Rates Policy will be assessed following the completion of the consultation.

5 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.

CONTACT INFORMATION

Karen Henriksen, Head of Resources

01629 761284, email karen.henriksen@derbyshiredales.gov.uk

Steve Capes, Head of Regeneration and Policy

01629 761371, email steve.capes@derbyshiredales.gov.uk

BACKGROUND PAPERS

Council, 12 October 2017: Business Rates Discretionary Relief Policy Options

Special Council, 5 March 2018: Business Rates Discretionary Relief Policy

ATTACHMENTS

None

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