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19 January 2022

To all Councillors:

As a Member of the Council, please treat this as your summons to attend the Council meeting on **Thursday, 27 January 2022 at 6.00pm** at Wheeldon Hall, Highfields School, Upper Lumsdale, Matlock, Derbyshire DE4 5NA

This meeting will be recorded and published for viewing after the conclusion of proceedings on the District Council’s website at [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk) or via our YouTube channel.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'James McLaughlin'.

James McLaughlin  
Director of Corporate and Customer Services

## AGENDA

### 1. APOLOGIES

Please advise the Committee Team on 01629 761133 or email: [committee@derbyshiredales.gov.uk](mailto: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 on the subject matters(s) identified in the summons **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**. As per Procedural Rule 14.4 at any one meeting no person may submit more than 3 questions and no more than 1 such question may be asked on behalf of one organisation.

### 3. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

19 January 2022

#### 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. LEADERS' ANNOUNCEMENTS

Announcements of the Leader of the Council.

#### 6. CHAIRMAN'S ANNOUNCEMENTS

Announcements of the Civic Chairman.

#### 7. COMMITTEES

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

<b>Non-exempt Minutes to be received:</b>	<b>Date</b>
Council	25 November 2021
Planning Committee	14 December 2021
Planning Committee	11 January 2022
Licensing & Appeals Committee	13 January 2022
Council (Extraordinary Meeting)	19 January 2022
Governance & Resources Committee	20 January 2022

#### Minute Book to follow.

#### 8. QUESTIONS (RULE OF PROCEDURE 15)

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

**Page Nos.**

#### 9. **EMPTY HOMES PREMIUM AND UPDATE TO COUNCIL TAX DISCRETIONARY DISCOUNTS POLICY** **05 - 25**

This report sets out details of the impact of the empty homes premium adopted by Council in 2018. The report sets out the results of a public consultation exercise and seeks Members' approval to adopt the higher levels of empty homes premium. The report also asks Members to agree changes to the Council's policy for council tax discretionary discounts.

#### 10. **DERBYSHIRE CLAUSE POLICY & PROCEDURE** **26 - 52**

To approve the draft Derbyshire Clause policy which provides a clear framework for decision making and administrative processes associated with Derbyshire Clause dispensations.

#### 11. **COUNCIL HOUSING UPDATE REPORT** **53 - 57**

The purpose of this report is to advise Members of the progress

concerning the Council's housing programme. Having selected Nottingham Community Housing Association as the Council's Development and Management Agent in December 2020, work has been progressing to bring forward the first homes delivered in 2021/22.

12. **RESILIENCE, RESOURCES, PRIORITIES** 58 - 69
- The report sets out the Chief Executive's proposals to invest in additional organisational resources in order to ensure that the Council is adequately resourced to deal with existing and future priorities / challenges.
13. **APPOINTMENT OF EXTERNAL AUDITOR** 70 - 75
- This report seeks Members' approval to opt into the appointing person arrangements for the appointment of the Authority's external auditor for a period that covers the audits of the statutory accounts for the five consecutive financial years commencing 1 April 2023.
14. **LOCAL COUNCIL TAX SUPPORT SCHEME FOR 2022/23** 76 - 80
- This report provides information relating to proposed changes to, and seeks approval to adopt, the Local Council Tax Reduction Scheme for the financial year 2022/23.
15. **CAPITAL PROGRAMME MONITORING 2021/22 & CAPITAL PROGRAMME 2022/23 TO 2024/25** 81 - 98
- This report presents to Members the current financial position of spend against the 2021/22 Capital Programme as at the end of November 2021. This report also seeks Members' approval for an updated capital programme for 2021/22 to 2026/27 and associated financing.
16. **AMENDMENT TO THE CONSTITUTION - RULES OF SUBSTITUTION** 98 - 100
- To propose a recommendation from the Constitution Working Group to amend the rules in respect of substitute Members for meetings of the Council's policy committees.
17. **REVENUE BUDGET MONITORING QUARTER 2 2021/22** 101 - 106
- To provide an update on the Council's revenue budget for 2021/22 and to seek approval for virements and the revised budget for 2021/22.
18. **APPOINTMENT OF CHAIRS TO NORTHERN, CENTRAL AND SOUTHERN COMMUNITY AREA FORUMS**
19. **SEALING OF DOCUMENTS**
- To authorise that the Common Seal of the Council be affixed to those documents, if any, required in completing transactions undertaken by Committees or by way of delegated authority to others, since the last meeting of Council.

**NOTE**

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**COUNCIL**

27 January 2022

Joint report of the Director of Resources and the Director of Housing

**EMPTY HOMES PREMIUM AND UPDATE TO COUNCIL TAX DISCRETIONARY DISCOUNTS POLICY**

**PURPOSE OF REPORT**

The report sets out details of the impact of the empty homes premium adopted by Council in 2018. From 1<sup>st</sup> April 2019 the Council has charged a 100% premium (i.e. double council tax) on homes empty and unfurnished for more than 2 years. The Council has power to increase the premium for long term empty homes by 200% for homes empty for 5 years or more and 300% for homes empty for 10 years or more. The report sets out the results of a public consultation exercise and seeks Members' approval to adopt the higher levels of empty homes premium with effect from 1<sup>st</sup> April 2023.

The report also asks Members to agree changes to the Council's policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992) to allow more flexibility to award a council tax discount to offset the empty homes premium where the applicant provides evidence that they are taking action (e.g. marketing) as soon as practicable to bring empty homes back into use, without the need to provide evidence of undue hardship.

**RECOMMENDATION**

1. That Members note the impact of the 100% council tax empty homes premium;
2. That Members note the results of the public consultation on the adoption of the 200% and 300% premiums and the changes to the Council's policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992);
3. That the Council continues to apply a council tax empty homes premium of 100% in respect of any dwelling that has been unoccupied and substantially unfurnished for at least 2 years but less than 5 years, except where statutory exemptions apply;
4. That, with effect from 1<sup>st</sup> April 2023, the Council will apply a council tax empty homes premium of 200% in respect of any dwelling that has been unoccupied and substantially unfurnished for at least 5 years but less than 10 years, except where statutory exemptions apply; .
5. That, with effect from 1<sup>st</sup> April 2023, the Council will apply a council tax empty homes premium of 300% in respect of any dwelling that has been unoccupied

and substantially unfurnished for at least 10 years, except where statutory exemptions apply;

6. That approval is given to the revised Policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992), attached as Appendix 4.

## **WARDS AFFECTED**

All

## **STRATEGIC LINK**

Long Term empty homes represent a wasted resource within the housing stock of the District. Bringing empty homes back in to use will increase the supply of homes available for local people. It is one of the District Council's priorities to explore further policy changes which could reduce the number empty homes as stated in the 2020-2024 Corporate Plan. The proposed actions address this corporate policy objective.

## **1 BACKGROUND**

- 1.1 The Community and Environment Committee received a report on the 12<sup>th</sup> July 2018 concerning the empty homes issue within the Derbyshire Dales. At that time a new Bill relating to a Council Tax Premium on long term empty homes was going through parliament. Noting the likely adoption of the Bill officers sought Council approval to consult on the premium and then seek approval to adopt the 100% premium for homes empty for more than two years.
- 1.2 The consultation exercise ran for 6 weeks ending at the end of October 2018. 227 responses were received. The District Council's website hosted a survey monkey questionnaire. The survey was widely publicised through a press release, an article in Dales Matters, circulation to every parish and town council, contact with known housing agencies and a letter to every owner of a long term empty home. The 2018 consultation results showed very high support (over 70%) for the adoption of the 100% premium. Similarly support was also given for the 200% and 300% premiums for homes empty for over 5 and over 10 years respectively. However at that time the power to adopt the higher premiums was not yet available for councils.
- 1.3 The power to adopt the higher premiums is now place and officers have noted that two other Derbyshire authorities have already adopted the higher premiums. A review of the properties empty for more than 5 and more than 10 years indicates that the same properties remain empty for some considerable time with some empty for more than 15 years. The total number usually averages around 75 homes. Empty homes are a wasted resource and can cause considerable problems for neighbours through heat loss, water ingress, vermin and overgrown gardens.

## **2 GOVERNMENT POLICY ON LONG TERM EMPTY HOMES**

- 2.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill became law on the 1<sup>st</sup> November 2018. The Bill gave powers to local authorities to charge a 100% premium (i.e. double council tax) on properties that have been empty for more than two years. The Bill was amended in the Lords by an all-party amendment which introduced the 'escalator amendment'. This amendment allows for council tax to be tripled (by applying a 200% premium) on homes empty for 5 to 10 years and quadrupled (by applying a 300% premium) for those empty for more than a decade. The 'escalator' power was phased in, with the doubling being effective from 1<sup>st</sup> April 2019, the trebling from 1<sup>st</sup> April 2020 and the quadrupling from the 1<sup>st</sup> April 2021. At the time the escalator power was seen not as a revenue raiser for local authorities, but a spur to maximise housing stock availability.
- 2.2 The 2018 debate in the House of Commons concerning the Bill also highlighted several important considerations by the government, notably:-
- When the 50% premium was introduced in 2013, 90% of local authorities took up the power. Since then the number of long term empty homes has fallen by 9% among those councils that adopted the power, every year since 2013.
  - The higher premiums should not be used to penalise owners where houses are genuinely on the market for sale or rent and appropriately priced.
  - Homeowners will have had sufficient notice concerning the imposition of the 200% and 300% premium by 2020 and 2021 respectively.
  - No property covered by existing statutory exemptions can be liable for the premium e.g. a property owned by a member of the armed forces on deployment or where a dwelling cannot be let separately from a main dwelling (e.g. granny flats).

## **3 THE IMPACT OF THE 100% EMPTY HOMES PREMIUM**

- 3.1 The 100% premium has been in place at Derbyshire Dales District Council for the financial years 2019/20, 2020/21 and the current year 2021/22. Owners of homes that have been empty and unfurnished for more than two years are required to pay a 100% premium on top of their existing council tax bills.
- 3.2 The income from the premium is shared amongst major preceptors (DDDC, County Council, Police and Fire), with DDDC's share being around 14%. The table below shows the numbers and value for each year, and the share of the premium that is retained by DDDC.

Table 1: The number of empty homes, value of the 100% premium charged and DDDC share

	2019/20	2020/21	2021/22 (forecast)
Number of properties where a premium has been charged	239	272	229
Total value of premiums charged	£259,193	£277,236	£315,941
Value of DDDC's share of the premium	£36,287	£38,813	£44,231

- 3.3 When the premium was first adopted there was the inevitable push back from owners who felt the premium was unfair. Since that time the impact of the premium has resulted in far fewer complaints to the Housing Team, but the revenues team continue to receive complaints or requests for discretionary discounts to offset it (see section on discretionary discounts below).
- 3.4 As can be seen in the table below, despite the imposition of the premium for three financial years, whilst the total number of empty homes has reduced, the numbers of homes that are empty for more than two years has slightly increased.

Table 2: Oct 2019 to Oct 2021 changes in empty property numbers by category

	Number of empty properties			
	October 2019	October 2020	October 2021	Change 2019 to 2021
Empty up to 3 months*	295	280	208	-87 (29%)
Empty for more than 3 months but less than 2 years	466	490	387	-79 (17%)
Empty for 2 to 5 years	88	97	106	+18 (20%)
Empty for 5 to 10 years	54	45	37	-17 (31%)
Empty for more than 10 years	33	33	38	+5 (15%)
Total empty for more than 2 years	(175)	(175)	(181)	
<b>Total all empty homes</b>	<b>936</b>	<b>945</b>	<b>776</b>	<b>-160 (17%)</b>

\*eligible for 100% reduction i.e. no council tax to pay

- 3.5 Whilst the number of homes empty for less than 2 years has fallen (from 761 in 2019 to 595 in 2021, a reduction of 166 (22%)), the total number of homes empty for more than 2 years has remained mostly unchanged (175 in 2019 to 181 in 2021). There are clearly factors other than the premium at play which are influencing the market. The coronavirus pandemic has caused delays to renovations, which has also impacted numbers of empty homes. The homes empty for more than 5 years and 10 years are not showing any significant signs of change. Leaving property empty for so long often leads to neighbour disputes, deterioration in the property and negatively impacts on the wider street scene.



3.6 In summary, the impact of the 100% premium would appear minimal on properties that have been empty for more than 2 years, as evidenced by the overall numbers remaining largely unchanged. Anecdotal evidence from telephone calls from owners and monitoring of Rightmove and planning applications suggests however that some owners are responding to the premium and taking steps to sell, renovate or redevelop some of the more complex properties. However it is worth noting that the population of total properties is not static and as time passes, properties will inevitably move from one category to the next. The financial return to the District Council is also relatively small taking in to account the amount of time it takes to administer the premium. Council staff, particularly in the Council Tax service receive and respond to owners aggrieved by the imposition of the premium.

## 4 INTRODUCING HIGHER LEVELS OF PREMIUM

### 4.1 Forecast income

Using the empty properties as at 1<sup>st</sup> October 2021 and the average council tax for 2021/22 as a basis, the additional income that would be generated by the higher levels of premium have been estimated to give Derbyshire Dales District Council additional annual income of around £28,000. This is shown in the table below.

Table 3: Forecast annual income from higher empty homes premiums

	Number	Forecast income £	DDDC share of forecast income £
<b>Period empty</b>			
5 - 10 years (extra 100%)	37	69,665	9,753
Over 10 years (extra 200%)	38	130,511	18,272
<b>Total</b>	<b>75</b>	<b>200,176</b>	<b>28,025</b>

Some of this income might be offset by additional discretionary discounts (see below).

4.2 Equalities: An Equalities Impact Assessment has been undertaken in relation to the higher premiums. In summary the EIA highlights the relative lack of available information concerning the characteristics of owners of empty homes. It is likely that owners reflect the wider population. It is also likely that some owners will be older people or have limited ability to manage their affairs. The number of people likely to be impacted by the premium is under 100.

4.3 The role of the proposed empty property officer (see below) is therefore key to providing the advice and support necessary to help owners either renovate, let or sell their property. The EIA also indicated that bringing empty homes back in to use will help increase the supply of homes available for local people and bring investment in to the economy through jobs and services linked to construction.

- 4.4 Consultation: As in 2018, a public consultation process has been undertaken for the 200% and 300% premiums, using a SurveyMonkey questionnaire on the Council's website. All of the existing owners of homes empty since December 2019 (201 properties) were contacted about the survey together with key stakeholders including parish and town councils, estate and letting agents, housing associations, pressure groups and others with an interest in empty homes. The survey took place from mid-December 2021 to the 18<sup>th</sup> January 2022.
- 4.5 The results of the survey are shown in Appendix 3. In summary 154 responses were received including 24 owners of empty homes. Empty homes are clearly a contentious issue both for owners, neighbours and residents concerned about them. The results were typically polarised between the majority who did not own empty homes and the minority that did. Before considering the results further, it is worth noting that what government policy is trying to achieve is the long term reduction in the overall number of empty homes. Whilst recognising there is likely to be an impact in the short term on owners from April 2023, what this policy is trying to do is stop the homes that are currently empty becoming the entrenched empty homes of the future.
- 4.6 Owners of empty homes responding to this survey have clearly had issues through the pandemic attracting builders, experiencing a lack of buyers and other property specific issues which impact on their ability to undertake repairs. Some owners are buying property without doing thorough checks and arguably making poor investment decisions. Those owners currently working on their property are concerned that the premium would impact their ability to fund the renovation costs. Neighbours of empty homes are suffering as a result of the neglect of the empty property next door and respondents also commented on the wider impact on the local community when combined with holiday homes and 2<sup>nd</sup> homes.
- 4.7 There was overwhelming support for the introduction of the higher premiums, that these would encourage owners to bring homes back in to use and that this should happen from April 1<sup>st</sup> 2023. Respondents were split in their views concerning any form of financial support for owners based on the perception that anyone who owns two or more properties is inherently wealthy and should not need public funding. However this needs to be balanced against the opposite view in that for some owners, the property will become their sole residence once renovation works are complete and those with specific leasehold or age designated properties that by their very nature have a significantly reduced market.
- 4.8 Based on the results of the survey officers consider that adopting the higher premiums from April 1<sup>st</sup> 2023 is appropriate. This will put owners of all empty homes on notice and represents a long term strategy to bring the overall numbers of empty homes down. However the use of discretionary relief is also considered appropriate in order to lessen the impact on those genuinely taking steps to bring their empty property back in to use. The operation of this process is set out below.

## 5 DISCRETIONARY DISCOUNTS

- 5.1 Some council tax payers apply for a discretionary council tax discount (under section 13A 1 C of the Local Government Finance Act 1992) to offset (effectively remove) the premium from their bills. The cost of these discounts is borne wholly by this Council. Under the Council's policy, before a discount may be awarded there must be evidence that paying the charge would cause undue hardship.
- 5.2 Since the introduction of the empty homes premium the Council's policy for discretionary council tax discounts (under section 13A) has been amended to allow a council tax discount to be granted in respect of age restricted accommodation. In Ashbourne particularly, there is an over-supply of privately owned older peoples' accommodation. The age restriction has meant homes have a limited market and new supply of competing homes has left families who have inherited property in a difficult financial position. For these Ashbourne properties the following discounts have been awarded:
- £1,908 in respect of two properties in 2019/20;
  - £4,408 in respect of three properties in 2020/21;
  - £4,712 in respect of three properties in 2021/22 so far.
- 5.3 From the start of the coronavirus pandemic the number of applications for discretionary discounts to effectively remove the empty homes premium has increased.

Table 4: DDDC share of the income and the impact of discretionary discounts

Year	2019/20	2020/21	2021/22 (forecast)
Number of properties where a premium has been charged	239	272	229
Total value of premiums charged	£259,193.22	£277,236	£315,941
Value of DDDC's share of the premium	£36,287	£38,813	£44,231
Number of discretionary discounts awarded to "offset" the empty homes premium	6	17	11*
Value of discretionary discounts awarded to "offset" the empty homes premium	£2,310	£15,913.	£16,400*
Net income to DDDC	£33,977	£22,900	£27,831

\*Forecast based on applications received to date

- 5.4 If there is an increase in customers claiming 'exceptional circumstances' that they feel will make them eligible for a section 13A discount, it could become more costly/less financially beneficial than expected.

- 5.5 Dealing with applications for discretionary discounts is very time consuming for the council tax team and the Director of Resources. There has been an increase in applications since the pandemic, as there have been delays in completing renovations. While the government awarded extra grants in 2020/21 to help with the cost, at the time of writing this report the government has not awarded this type of funding to this Council for 2021/22. Recently, two customers whose applications for a discretionary discount have been rejected have indicated that they will appeal to a Valuation Tribunal. This will create additional work for council tax and legal teams and could result in extra costs for the Council.
- 5.6 It is worth reflecting on the purpose of the empty homes premium, which is not to simply generate additional council tax revenue but is to act as an incentive for owners to bring empty homes back into use. Some customers who have been charged the premium have argued that while they cannot provide evidence of undue hardship (which is required under the current policy to award a discount to offset the premium) the fact that they have to pay a premium means that they are being unfairly penalised when they are moving as swiftly as they can to complete renovations, market the property etc. This is especially the case where someone has purchased a property that has been empty for some time and the new owner “inherits” the empty homes premium and has to pay it from day 1. Some of the respondents to the survey argue that paying the premium means less financial resources are available for renovations and this adds to delays. This seems to run against the original intentions for the premium. According to the Government's publication on Council Tax- empty homes premium, guidance for sale & letting (May 2013). Point six states:
- “The government’s intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent.”*
- 5.7 One solution could be to make changes to the Council's policy for Council Tax Discretionary Discounts under Section 13A (1) (c) of the Local Government Finance Act 1992 to allow the Director of Resources more flexibility to award a discount to offset the empty homes premium where the applicant provides evidence that they are taking action (e.g. planning application, renovations, marketing) as soon as practicable to bring the empty home back into use, without requiring evidence of undue hardship.
- 5.8 Officer comment: While there would be an additional cost arising from this change to the discounts policy, that would be wholly borne by this Council, the likelihood of an appeal to a Valuation Tribunal, with the potential for additional costs for the Council, is reduced.
- 5.9 The consultation included such a change to the discounts policy. The results are shown in Appendix 3. Providing support or assistance for owners is clearly an emotive subject for some respondents. In particular the survey stated that current policy allows the council to award a discretionary discount where the higher premium causes financial hardship.

Respondents were asked if the council should apply this discount even when there is no hardship, provided the owner is genuinely attempting to bring the home back in to use. 68 respondents either strongly agreed or agreed with this approach whilst 69 disagreed or strongly disagreed with the award of a discretionary discount even if there is no evidence of hardship.

- 5.10 Officer comments: The consultation exercise showed that respondents have divergent views on whether the Council's policy on discretionary discounts should be revised, with those in support and those against being roughly equal.

It is recommended that the Council's discretionary discounts policy be revised to reflect government policy that owners of property that is genuinely on the housing market for sale or rent should not be penalised, and that this should be applied irrespective of whether there is evidence of undue hardship. This will provide more support than under the current policy and will avoid the risk of appeals to the Valuation Tribunal.

Due to the lack of clear support in the consultation exercise and the financial risk of increased awards of discounts (which fall wholly on this Authority while it only receives around 14% of income from premiums), further changes to the policy in relation to the empty homes premium (e.g. for planning delays or problems in getting a contractor) are not recommended.

- 5.11 The recommended amendments are reflected in the revised Policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992), attached as Appendix 4.

## **6 WORKING WITH OWNERS OF EMPTY HOMES**

- 6.1 The premium is only one tool available to councils concerned about empty homes. Many councils also employ a dedicated post, typically an Empty Homes Officer. They play a vital role in advising and supporting owners of property to explore options, helping to publicise the premiums, sign post services to assist owners (how to engage an estate agent, get planning permission, building control services etc.), produce newsletters, develop strategies to support owners e.g. selling to the other housing providers, helping to engage private buyers, taking property to auction etc.
- 6.2 Without a dedicated resource the council lacks the capacity to properly support owners of empty homes and this can place strain on the Council Tax service in particular. The Council previously employed an Empty Homes Officer using external grant funding. Over a two year period this post had a significant impact on the total number of empty homes but came to an end when the grant funding expired.
- 6.3 Subject to Members' approval of the higher premiums, it is therefore proposed that the Council recruits an Empty Homes Officer from April 2022 to work with

owners of long term empty homes, with work commencing prior to the introduction of higher levels of premium in April 2023.

- 6.4 The New Homes Bonus (NHB) is a government grant that currently includes a financial reward for every long term empty home brought back into use. The amount varies depending on the national average council tax each year and the council tax band of each empty property. For 2021/22, the average amount that DDDC could receive for each property brought back into use is around £1,400. This source of income could be used towards the cost of an Empty Homes Officer. It should be noted that if the number of empty homes increases, the Council's income from NHB can reduce, impacting the overall finances of the Council. However, this financial risk has been mitigated by proposing a 3 year fixed term contract for the Empty Homes Officer.
- 6.4 The Empty Homes Officer could also support the Council's climate change objectives, advising on energy efficiency upgrades, compliance with MEES for properties available for rent and assisting with obtaining EPC certificates before sale.

## **7 RISK ASSESSMENT**

### **7.1 Legal**

The legal powers in relation to this Report are detailed within. This report is to give feedback to members on the current position since taking the decision to implement the premium and seeking authority to charge an increased premium. The application of an increased premium may lead to complaints and legal challenges, but a clear policy will mitigate some of these issues. Therefore legal risk is low but not completely absent due to the possibility of a Council Tax appeal.

### **6.2 Financial**

The report indicates that the District Council's share of the higher empty homes premium is estimated as £28,000 p.a. This will be offset by the cost of any discretionary council tax discounts. While income from the empty homes premium has to be shared with major preceptors (this Council receives around 14%), the cost of these discounts is borne wholly by this Council.

Expanding the discretionary discount criteria will increase costs to the Council, the value of which is difficult to forecast at this stage.

The net income from the above and additional New Homes Bonus will assist the Council in financing an empty property officer. The cost in 2022/23 could be met from New Homes Bonus. In years 2 and 3 (2023/24 and 2024/25) the cost is expected to be funded by Derbyshire Dales District Council's proportion of the empty homes premium and any additional New Homes Bonus payments received. There is a risk that, in achieving the priority of reducing empty homes, the amount received in empty homes premium is reduced, and a further risk that New Homes Bonus is abolished, meaning that

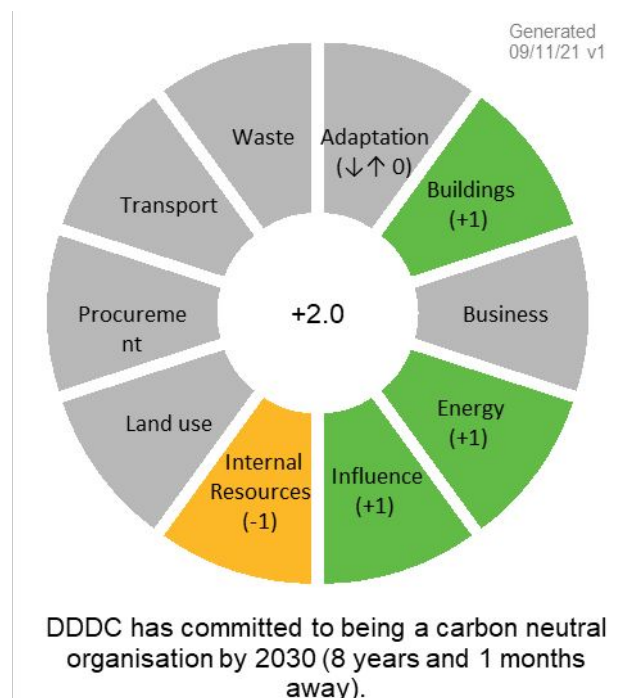
these sources of funding are no longer sufficient to cover the salary costs of the Empty Homes Officer. This risk has been mitigated by proposing a 3 year fixed term contract.

The financial risk is assessed as medium.

## 8 OTHER CONSIDERATIONS

- 8.1 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.
- 8.2 The climate change impact assessment identifies that the proposal has the potential to support a decrease in emissions from homes in the district that neighbour empty properties through a reduction in energy required for heating. Reusing existing housing reduces the emissions inherent in the building of new homes and the associated necessary infrastructure. It also ensures the longevity of the existing housing stock, protecting the embodied carbon and decreasing the likelihood of properties deteriorating to the point at which demolition and replacement is needed.

Although the proposed new post represents an increase in emissions in terms of the necessity for the post holder to travel within the district this is mitigated by the wider benefit of bringing back into use a wasted resource within the housing stock of the District. Bringing empty homes back in to use will increase the supply of homes available for local people, and therefore supports the District Council’s priorities as set out in the Corporate Plan.



## 8 CONTACT INFORMATION

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Karen Henriksen, Director of Resources  
01629 761284 email [Karen.henriksen@derbyshiredales.gov.uk](mailto:Karen.henriksen@derbyshiredales.gov.uk)

## 9 BACKGROUND PAPERS

None

## 10 ATTACHMENTS

**Appendix 1** – Breakdown of predicted council tax income across the main precepting authorities for the next 10 years

**Appendix 2** – 2019 Empty Homes Premium Survey

**Appendix 3** - Summary of responses received from Empty Homes Premium consultation Dec 2021/Jan 2022

**Appendix 4** – Revised policy for council tax discretionary discounts under section 13A 1 (c) of the Local Government Finance Act 1992) – **TO FOLLOW**



## Appendix 1: Breakdown of predicted council tax income across the main precepting authorities for the next 10 years

The table below shows how the existing number of properties, which have been empty for 6 months or more, will generate additional Council Tax revenue over the next 10 years.

Year	Total Amount if 100% still empty	Assumed amount still empty	Total after allowance made for % still empty	DDBC	County	Police	Fire
2019/20	433,415	100%	433,415	50,772	316,192	47,872	18,578
2020/21	954,598	90%	859,138	100,644	626,773	94,894	36,827
2021/22	1,133,234	80%	906,587	106,202	661,389	100,135	38,861
2022/23	1,304,507	70%	913,155	106,972	666,181	100,860	39,142
2023/24	1,649,961	60%	989,977	115,971	722,225	109,345	42,435
2024/25	1,700,723	50%	850,361	99,616	620,371	93,925	36,451
2025/26	1,750,129	40%	700,052	82,008	510,714	77,322	30,008
2026/27	1,835,764	30%	550,729	64,515	401,778	60,829	23,607
2027/28	1,963,671	20%	392,734	46,007	286,514	43,379	16,835
2028/29	2,278,125	10%	227,813	26,687	166,198	25,162	9,765
2029/30	2,292,656	10%	229,266	26,857	167,258	25,323	9,827

Note: the table assumes a 10% reduction per year in the existing number of long term empty properties.

## **Appendix 2: 2019 Empty Homes Premium Survey**

### **Public consultation Empty Homes Premium – Have your say**

#### **Introduction:**

Derbyshire Dales District Council is consulting residents, owners of empty properties and other stakeholders on potential changes to the Council Tax charged on homes that have been empty for more than 5 years and more than 10 years. Empty homes are defined as those which are unoccupied and substantially unfurnished.

In 2013 the Government gave councils the power to charge a 50% premium, i.e. the whole Council Tax is charged, plus half again. From 1<sup>st</sup> April 2019 the government gave Councils the power to double the council tax on homes empty for more than 2 years. Derbyshire Dales DC previously adopted this change following consultation in 2018. There was overwhelming support at the time to do this, with 74% of respondents keen to see the premium introduced.

From 1<sup>st</sup> April 2020 Councils have had the power to triple the council tax on homes empty for 5 to 10 years and from the 1<sup>st</sup> April 2021 quadruple it for those empty for more than a decade.

Derbyshire Dales DC is considering adopting the higher premiums for homes empty for more than 5 years and more than 10 years. We estimate this will impact up to 100 empty homes. These properties represent a small but deteriorating proportion of the homes in the district. Some have been empty for longer than 10 years and show little sign of being brought back in to use. The Council recognises that some of these homes could be in a poor state of repair and it could take some time for owners to bring them back in to use. Some owners may also be in the middle of renovating or selling their property. As such the Council is keen to know your views about adopting the higher premiums from April 1<sup>st</sup> 2023, giving owners sufficient time to sell or renovate their property. These changes are proposed because empty homes are a wasted resource and can be the cause of anti-social behaviour. Empty homes also drain the heat from neighbouring occupied properties and impact the value of homes next door.

By increasing the Council Tax on homes that have been empty for more than 5 and 10 years, the Council aims to encourage owners to sell, improve or let their property. This will help to meet local housing need and reduce pressure for greenfield land to be released to build new homes. Additional resources raised by these higher council taxes could also be used to support a new officer post. This post would be dedicated to providing advice and assistance to the owners of empty homes who are unsure how to go about bringing them back into use. Derbyshire Dales District Council is the Billing authority and has the power to increase council tax on long term empty homes. This is known as the 'empty homes premium'. It is for the District Council to decide whether to levy an empty homes premium.

The Council is mindful that some people may face financial difficulty if the higher premiums are introduced. If owners are in financial hardship, the Council has the

discretion to cover the cost of the premium through a discretionary council tax discount.

The Council does not want to penalise owners who are actively trying to bring their property back in to use. Owners can face delays when trying to get planning permission or getting quotes from builders. The Council could also introduce a new discretionary council tax discount where there is evidence the owner is trying to bring the property back in to use but is experiencing delays through no fault of their own. This will benefit the owner but, because of the government regulations around council tax discounts, the cost of the discount would have to be funded by all of the residents in the Dales through their council tax. We are therefore keen to understand your views on whether or not the Council should assist owners of empty properties by providing a discount, even when there is no evidence that the owner will face undue hardship in paying the premium.

### **Government policy on long term empty homes**

There is pressure from Government to tackle the 200,000+ empty homes in England. One policy from the government designed to reduce the number of empty homes is to allow councils to introduce the empty homes premium. This was first outlined in the government's 2017 white paper, Fixing our Broken Housing Market. (see <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>)

Any uplift in Council Tax premium on long term empty homes will generate new resources for the District Council, Derbyshire County Council and the Police and Fire Authorities.

You can find more information about the national campaign to reduce the number of empty homes here <https://www.actiononemptyhomes.org/>

### **Benefits of bringing empty homes back in to use;**

- The district council would use its proportion of the extra council tax to fund a dedicated officer post to support owners who need help to sell, renovate or let their property.
- As more empty homes are brought back in to use, more New Homes Bonus (NHB) will come to the Derbyshire Dales. NHB is a grant from government designed to reward councils when they build new homes or bring empty homes back in to use. If the number of empty homes goes up, the Council receives less NHB.
- The construction and property sectors could receive a boost through renovation and occupation of homes.
- Provision of affordable and potentially market homes through properties brought back in to use will help meet housing need, reducing the pressure to build new homes on greenfield land.
  - Neighbours of empty homes will also benefit.

### **The Consultation**

The Council is consulting owners of empty homes, residents and stakeholders on the proposal to introduce the higher premiums on homes empty for more than 5 and 10 years.

If you are an owner of an empty property, we would like to understand more about the issues you face, for example if you are trying to sell or let the property and what you think the Council could do to help you bring the property back in to use. We would also like to understand the views of all residents, people affected by empty homes and the views of the wider housing sector.

The survey is anonymous and does not require any personal information. The results of the survey will be stored electronically, collated and presented to Councillors in January 2021. You will be able to access the Council report from the 19<sup>th</sup> January via the Council's website at this address

<https://www.derbyshiredales.gov.uk/your-council/council-a-committee-meetings>

## Questions

1. Are you a
  - a. Owner of an empty property
  - b. Neighbour of an empty property
  - c. Resident
  - d. Private landlord
  - e. Tenant of a private landlord
  - f. Tenant of a housing association
  - g. A letting agent
  - h. Representative of a housing association
  - i. Builder/developer
  - j. Town or parish council
  - k. Other public body
  - l. Charity
  
2. Do you own a long term empty home in the Derbyshire Dales i.e. a property which has been unoccupied and substantially unfurnished for over 2 years?  
Yes/no. If you do not own an empty property please go to Question 7
  - a. If yes how many? Please state
  - b. On average how long has your property/ties been empty?
  
3. Do you live in the Derbyshire Dales? y/n
  
4. If you own a long term empty home, why is it empty? (choose all that apply)
  - a. Unable to sell
  - b. Being renovated/repaired
  - c. Needs renovating – works not started
  - d. You are actively looking for tenants
  - e. Tenants/relatives or yourself are due to move in shortly
  - f. It's a 2<sup>nd</sup> home
  - g. Inherited the property
  - h. Owner is currently living in a residential/ care home
  - i. Lacking the mental capacity to sell
  - j. Bereaved/ divorced and unable to sell the property

- k. Other, please specify below
5. Are you currently working to bring your property back in to use? Please tick all that apply.
- a. The property is on the market to sell
  - b. The property is on the market to rent
  - c. I am renovating the property myself
  - d. I am renovating the property through a builder
  - e. I have applied or waiting for planning permission to make improvements
6. If you are struggling to bring your property back in to use what issues are you facing? Please tick all that apply
- a. The building/property is in such a poor state I don't know where to start
  - b. Finding an estate agent
  - c. Finding a letting agent
  - d. Uncertainty about legal requirements for rented homes
  - e. Difficulty getting quotes from builders
  - f. Difficulty gaining planning permission or making a planning application
  - g. I don't have the finance to pay a builder
  - h. The property is owned by more than one person and we can't agree what to do with it
  - i. Other please state;
7. Do you agree with the Council's proposal to:
- a. Triple the council tax liability for properties that have been vacant for 5 to 10 years y/n
  - b. Quadruple the council tax liability for properties that have been vacant for more than 10 years? y/n
8. How strongly do you agree or disagree that the proposals will encourage owners to bring empty homes back in to use?
- a. Strongly agree
  - b. Agree
  - c. Neither
  - d. Disagree
  - e. Strongly disagree
9. Do you agree or disagree with the proposal to adopt the higher premiums from April 1<sup>st</sup> 2023?
- a. Agree or
  - b. Disagree
10. If the proposals were adopted, how should the Council support owners of empty homes to bring them back in to use? Please tick all that apply
- a. Offer loans to fund improvements
  - b. Offer grants to fund improvements

- c. Buy the empty property or assist with finding a buyer
- d. Lease the property from the owner
- e. Other, please specify below

11. Current council policy allows a discretionary discount to be applied where the higher rate of council tax would cause hardship. Do you agree or disagree that this discount should also apply even where there is no hardship, provided that the owner is genuinely attempting to bring the home back into use but there have been unforeseen delays such as the availability of contractors?

- a. Strongly agree
- b. Agree
- c. Neither
- d. Disagree
- e. Strongly disagree.

Is there anything else you would like to say about these proposals?

## **Appendix 3: Empty Homes Premium consultation Dec 2021/Jan 2022**

### **Summary of responses received**

154 respondents completed the survey hosted on the Council's website. No comments were received concerning lack of access to the survey or complications completing the survey.

Of the 154 respondents, 59% described themselves as residents, 16% as owners of empty homes and 12% as neighbours of empty homes. Other groups were less prevalent including charities, private landlords etc. 88% of respondents lived in the Derbyshire Dales. 22 respondents said they owned a property that had been vacant for more than 2 years. The vast majority said they only owned 1 empty home though one owned 3.

Of the 24 owners, the average time their property had been vacant was 5.5 years with a range of 1 to 40 years.

Owners of empty homes were asked why their property was empty. The main reasons given included renovation (54%), unable to sell (25%), inherited the property (16%) and 12% described it as a second home. Some individual responses from owners included comments concerning property being for investment, restrictions over renting out due to a lease and lack of funds.

The majority of owners who responded to the survey appear to be taking steps to bring the property back in to use, 8 said the property was on the market to sell or rent, 7 are renovating the property themselves, 9 are renovating the property through a builder and 2 have applied or are waiting for planning permission.

Owners were asked what issues they are facing when trying to bring the property back in to use. The main concerns expressed by owners focused on;

- issues caused by the coronavirus pandemic and the impact both in terms of trying to get builders/consultants on site and sourcing materials;
- Age restrictions for retirement homes and the lack of demand when trying to sell;
- Lack of buyers or issues with buyers;
- Planning constraints;
- The scale and complexity of the renovation project.

All respondents were asked if they agreed with the Council's proposals concerning the higher premiums.

- 81.58% agreed with the proposal to triple the council tax for homes vacant between 5 and 10 years. 18.42% disagreed.
- 82.47% agreed with the proposal to quadruple the council tax for homes empty for more than 10 years, 17.53% disagreed.

Similar views were expressed about whether the premium would encourage owners to bring empty homes back in to use. 79.23% of respondents strongly agreed or agreed the proposals would encourage owners, whilst only 12.33% disagreed or strongly disagreed, 8.44% said they felt the proposals would do neither.

83.01% agreed with the proposal to adopt the premium from April 1<sup>st</sup> 2023, 16.99% disagreed with the proposal.

Respondents were asked how the Council could help owners bring their properties back in to use:

- Offer loans 51 respondents
- Offer grants 30 respondents
- Phase the increase in charges 17
- Buy or assist with finding a buyer 84
- Lease the property 49

Some respondents gave specific examples of the sort of support and assistance that could be offered. This ranged from providing no support at all to increased support with some respondents clearly not happy with any proposal that might provide financial assistance for owners. Equally, the same number of people also said the Council should work with owners. Others said extra help with planning applications would be useful and several suggested introductions to housing associations and almshouse trusts would be welcomed. There was also clear support from respondents to provide a waiver or relief relating to the premiums if owners are actively working on the property. Some respondents felt that imposing the premiums will only reduce the amount of money owners have to fund renovation works whilst others said the Council should use compulsory purchase to bring homes back in to use.

Providing support or assistance for owners is clearly an emotive subject for some respondents. In particular, the survey stated that current policy allows the council to award a discretionary discount where the higher premium causes financial hardship. Respondents were asked if the Council should award this discount even when there is no hardship, provided the owner is genuinely attempting to bring the home back in to use. 68 respondents either strongly agreed or agreed with this approach whilst 69 disagreed or strongly disagreed with the award of a discretionary discount even if there is no evidence of hardship.

The survey gave respondents the opportunity to provide further comments. These comments were considered and codified to identify the key themes put forward, which included;

- Clear support for the adoption of the premiums
- A need to consider issues on a case by case basis
- The premium would create a disincentive to speculative buyers wanting to take on a property with the aim of bringing it back in to use



- The premium is unfair because it takes money away from those who are trying to improve the property themselves
- Accessing available builders/contractors is a problem for some owners
- Some properties have specific issues such as age designation, which restrict the sale thereby causing properties to remain empty
- Members of the Armed Forces should not be penalised if they are on deployment or stationed elsewhere
- The Council should not offer grants to owners to fund renovation
- Specialist support would be helpful
- Such properties are none of the Council's business
- The neighbours of empty homes are suffering as a result of the condition of the empty property
- 5 years is more than enough time to bring an empty property back into use.

COUNCIL

27 JANUARY 2022

Report of the Director of Corporate and Customer Services

## **DERBYSHIRE CLAUSE POLICY & PROCEDURE**

### **PURPOSE OF REPORT**

To approve the draft Derbyshire Clause policy which provides a clear framework for decision making and administrative processes associated with Derbyshire Clause dispensations.

### **RECOMMENDATION**

1. The Derbyshire Clause Policy be approved.
2. That authority be delegated to the Licensing and Appeals Committee and appropriate Sub-Committee to consider appeals against such decisions.
3. That the Licensing and Appeals Committee be given authority to review and amend the Derbyshire Clause Policy
4. That authority be delegated to the Director of Housing to determine requests on the Derbyshire Clause in accordance with the approved policy.
5. That authority be delegated to the Director of Housing to refer any decision directly to the Sub-Committee of the Licensing and Appeals Committee where a decision is required that would not comply with the approved policy.
6. That the fee for Derbyshire Clause dispensations set at £465 be approved.
7. That authority be delegated to the Director of Corporate and Customer Services and Legal Services Manager to determine any outstanding requests of dispensation in line with the approved policy, which were received prior to the approval of the delegations above at no charge unless the applicant chooses to appeal to the Licensing and Appeals Committee.
8. That authority be delegated to the Director of Housing to make minor changes to the policy and to amend the policy in line with any clarification given by Members following a decision made by the Licensing and Appeals Sub-Committee.

### **WARDS AFFECTED**

Wards within the Peak District National Park

## **STRATEGIC LINK**

Providing a higher quality customer experience by streamlining processes to achieve faster decisions that affect residents and potential residents.

### **1 BACKGROUND**

1.1 On 16 December 2020 the Community and Environment Committee considered a report to consult on a new policy and procedure to streamline the decision making process in relation to Derbyshire Clause dispensation.

1.2 To summarise the previous report, council houses owned by the Council, prior to the transfer of housing stock to a registered social landlord, which were purchased under the Right to Buy scheme and situated in the Peak District National Park, were sold with a covenant that restricted to whom the property could be sold (or leased), namely to persons meeting the following criteria:-

- Persons who have lived or worked within Derbyshire or the Peak District National Park for a period of three years before the transaction

The Council has also agreed to allow the sale of a property in the following circumstances:-

- A person who has a local connection in the area and is returning to the area to care for another relative.
- A person who has a local connection in the area and is returning to the area to be cared for by another relative.
- To members of the armed forces with a local connection returning to live in the area.
- To be given to companies whose stated aim is to provide housing for those satisfying the qualifying criteria. Consent will be conditional on compliance with this requirement.

1.3 The reason for this covenant was to ensure that ex-council properties were continued to be used for people that held a local connection in order to discourage these houses being used as second homes or holiday lets and also the covenant reduces the price of the property thus assisting in providing affordable homes.

1.4 The Constitution delegates the decision to grant consent to proposed transactions to any person meeting the above criteria. If the person does not meet the criteria, then the delegation states that “all other cases to be referred to Committee for the exercise of their discretion.”

1.5 This however delays the sale of properties affected by this clause and owners have reported losing sales due to the length of time it takes to get a decision from the Council. This is not considered to provide a good customer service, especially taking into account the length of time it takes to purchase a property, with the conveyance sometimes taking up to three months or more.

1.6 The report to Community and Environment Committee therefore sought authority to consult on a policy that defines how and when the Council will grant a dispensation and introduce a new procedure with Officers taking the initial decision with a right to appeal to members.

1.7 The Community and Environmental Committee approved the consultation and made the following recommendations to Council:-

- a) Subject to Council approving the proposed policy, to recommend that Council delegate authority for decision making according to the policy for Derbyshire Clauses to the Director of Corporate and Customer Services, Legal Services Manager, Principal Solicitor or Solicitor.
- b) To recommend to Council that authority be delegated to the Licensing and Appeals Committee to consider appeals against such decisions.
- c) To recommend to Council to approve charging a fee for Derbyshire Clause dispensations, set at £465.

## **2. REPORT**

- 2.1 Approval is sought for the policy and new procedure as this is considered the most appropriate way to speed up decision making process through delegated powers in line with an approved policy framework set by Members, but also allowing dissatisfied applicants to submit an appeal to Members to review the decision.
- 2.2 In order for the new procedure to be put into effect, Council is recommended to approve this new policy and also to delegate responsibility to the Licensing and Appeals Committee and Sub-Committee to consider those appeals. Licensing and Appeals Sub-Committee is considered the most appropriate body given its existing role for considering appeals in other matters. Consideration was given to the appropriateness of the Community and Environment Committee discharging this function, but as that committee is a policy committee it was felt that the Licensing and Appeals Committee would be better suited to the function of considering an appeal.
- 2.3 This process provides better customer service and accountability for the following reasons
- a. It would allow for requests to be determined promptly when the above criteria does not apply.
  - b. A policy would provide information to sellers and buyers providing clarity in respect of the circumstances where the Council maybe likely to allow a dispensation. Therefore parties' would not waste time in viewing properties that they are unlikely to be able to buy.
  - c. It also would provide parties with clear guidance as to what evidence they would need to submit in order for the Council to consider the application.
  - d. It would allow for consistent decision making in line with policy direction set by Members
  - e. It would also allow Members to consider appeals for dispensations if applicants were dissatisfied with the decision.
- 2.4 The current system of decision making could be viewed as not providing an excellent customer experience, which is one of the Council's stated priorities. The absence of a policy accompanied by delegated decision making results in applications being reported to committee, which means that the time taken for determinations is subject to the dates of the Community and Environment Committee, rather than being responsive to the needs of customers.

## **3 CHARGES**

- 3.1 The Council cannot charge for services that they are required to provide unless statute allows, however they can charge for services that are discretionary.
- 3.2 To provide confirmation that someone meets the criteria when there is a covenant on the deeds is a function that is required by the Council and therefore the authority cannot charge for this letter. However if the Council receives a request to exercise its discretion to allow a purchase, then this is a service the Council does not have to provide and can charge for that service.
- 3.3 It is recommended that a charge of £465 is levied for this application. This takes into account officer time in valuing the property, reviewing the evidence, considering the request, drafting the decision letter and also for the cost of holding a Licensing and

Appeals Sub-Committee if a refusal is appealed. These costs are averaged out over the year and assumes that there will be three appeals per year. This amount has been calculated on a cost recovery only basis.

#### **4 OUTCOME OF CONSULTATION**

4.1 The consultation raised the following five responses for which I comment upon below

- Representation – “Clause 3.4.7 - childcare is widely available in most areas. This clause could be a loophole for those wanting to move into the area for whom childcare could reasonably be obtained elsewhere. It needs to be tighter in terms of specific circumstances in which it would apply, e.g. assistance from family in caring for a disabled child, otherwise it will, undoubtedly, be abused.” (Member of the Public)
- Representation – “Winster Parish Council would not wish to see any dilution of the Derbyshire Clause. We understand the need for officer delegation, but this should be established on the basis of the present policy.” (Winster Parish Council)
- Thank you for your email and firstly may I say the consultation is welcomed in my office. Having worked in the property sector locally for many years, a point of reference to clarify such matters for house sellers, buyers and agents would be very useful. We attract a lot of home-movers from out of town (and agents who don't know such things exist) and it is better being clear from the outset, rather than leave it for the matter to only unfold through the conveyancing process. As well as a clear but simple explanation of the restrictive covenant would be very useful as would access to a register of such homes would, if that would prove possible. Some of the occupancy clauses imposed on housing associations who have built in the area over the last 10 or 20 years can prove equally confusing but also restrictive to the extent that potential sellers find themselves unable to move home. Guidance on what options are open to the home-owner in those situations would also be worthwhile, although I am not sure this consideration will be in remit of your current consultation. (Fidler Taylor Estate Agents)
- The policy says you would take the place of employment stated in the contract of employment as evidence of the place of work but how would you measure that if you are self-employed. (Member of the Public).
- If I own a Derbyshire Clause property can I rent it out as long as it was not for holiday lets? (Member of the Public).

4.2 Even though there is childcare in the area the cost of this can be limiting to some households making it more cost effective for one parent to stay at home rather than work would could them make it unaffordable to purchase in the area. In order to address the representation the proposed additional wording has been added to clause 3.4.7

“...If a person is moving to provide childcare assistance, the Council will only consider applications where a member of the family is disabled meaning that additional support is needed by either a disabled child or a disabled parent, or where it can be shown that both parents need to work and that paying for

private childcare would cause an excessive financial burden on the family resulting in the family being unable to meet general living expenses.”

- 4.3 The intention of this policy and procedure is not to dilute the Derbyshire Clause but to make matter more transparent and obtain decisions faster and provide a better service to those wishing to buy or sell a Derbyshire Clause property.
- 4.4 The comments from Fidler Taylor are welcome in that it acknowledges the need for greater clarity in this area. As the Derbyshire Clause is registered on HM Land Registry documents there are no Data Protection issues that would arise in providing a list of affected properties on the Council’s website. To address the comment that a clear and simple explanation is needed Clause 1.3 has been reworded to clearly state that the clause restricts those who can purchase or lease an affected property. With regards to comments about other social landlords and their restrictions, this is outside the control of the Council.
- 4.5 The comment relating to the place of employment is a valid point in that the policy is not clear on how the Council would measure whether a person who is self-employed is employed in the area. Further clarification has been given at clause 3.3.12 of the policy as to the type of evidence that the Council would expect to see to determine if the applicant works in the area.

## **5 PROPOSED AMENDMENTS TO DEAL WITH REQUEST TO RENT**

- 5.1 In the Introduction section of the policy it mentions the right to lease the property but on review the policy does not clearly explain those rights.
- 5.2 Section 57 of the Housing Act 1985 subsection 2(b) says “
  - (b) there will be no disposal by way of tenancy or licence without the written consent of the landlord unless the disposal is to a person satisfying that condition or by a person whose only or principal home is and, throughout the duration of the tenancy or licence, remains the dwelling-house.
- 5.3 The landlord in this case means the District Council and this section of the act allows the owner to rent, by way of a lease or license, to someone that meets the criteria or to anyone if the owner still lives in the property. What this means is that if the owner lives in the property they can rent out part of the property to someone who does not meet the criteria i.e a spare room, as long as they still live in the property as their principle home.
- 5.4 A new clause 5.8 has been added to the policy to explain that an owner can rent out the whole property, but if they wish to rent to someone who does not meet the criteria then they must get permission, the length of the tenancy must be a least 6 months and the tenant has to use that property as their principal home and the same fee applies. 6 months have been chosen as this is the standard length of an Assured Shorthold Tenancy use in private property rentals.

## **6 PROPOSED AMENDMENTS TO DELEGATIONS**

- 6.1 The current delegations on Derbyshire Clauses were to the Director of Corporate and Customer Services. This is that historically it was Legal Services that dealt with the Right to Buy applications and thus the delegations sat with the relevant Director.
- 6.2 The report to the Community and Environmental Committee recommended that the new delegations would be extended to allow officers to make decision in line with the approved policy but also that the delegations stay with the relevant Director and also legal officers.
- 6.3 Following the report it has been considered that as the Derbyshire Clauses were introduced to promote affordable housing and Legal Services no longer deal with Right to Buy sales, the delegations are better suited within the responsibility of Housing.
- 6.4 The Director of Corporate and Customer Services recommends that delegation to make decisions on Derbyshire Clauses are given to them for a short period to allow historical requests to be completed rather than handing over the matter to Housing to decide. As these requests came in before the setting of a fee the Council would not seek to charge retrospectively, however if these application are refused applicants can still exercise their right to appeal but as this was not available previously the fee would be applied.

## **7 FURTHER FINAL AMENDEDMENTS**

- 7.1 No policy should fetter the discretion of members to decide to divert from a policy if they deem appropriate. On review of the policy it was considered that this was not made clear and therefore an additional clause at 6.3 was added to clarify that point.

## **8 RISK ASSESSMENT**

### Legal

- 8.1 The streamlining of the decision making process backed by an approved policy reduces the risk of legal challenge and potential ombudsman complaints, therefore the legal risk is low.

### Financial

- 8.2 If Council approves a fee for Derbyshire Clause dispensations, this would be treated as revenue account income and would offset the Council's costs.

The financial risk is assessed as low.



## **9 OTHER CONSIDERATIONS**

9.1 In preparing this report, the relevance of the following factors has also been considered: An Equality Impact Assessment is attached this report.

## **10 CONTACT INFORMATION**

Lee Gardner, Legal Services Manager

Tel. 01629 761319 or Email [Lee.Gardner@derbyshiredales.gov.uk](mailto:Lee.Gardner@derbyshiredales.gov.uk)

## **11 BACKGROUND PAPERS**

None

## **12 ATTACHMENTS**

Appendix 1 – Proposed Derbyshire Clause Policy

Appendix 2 – Equality Impact Assessment

**DERBYSHIRE DALES  
DISTRICT COUNCIL**

**POLICY ON  
DERBYSHIRE  
CLAUSES**

**UNDER THE HOUSING  
ACT 1985**

## **1. INTRODUCTION**

- 1.1 Section 19 of the Housing Act 1980, subsequently replaced by Section 157 of the Housing Act 1985 (as amended) and Section 37(5) of the Housing Act 1985, allowed for a restriction (known as a covenant) to be placed on the deeds of certain properties situated within the Peak District National Park. These covenants were granted for the benefit of Derbyshire Dales District Council ("District Council")
- 1.2 The reference in conveyancing documents referring to the above sections are commonly referred to as a Derbyshire Clause or alternatively Peak Park Clauses.
- 1.3 The effect of these restrictions is that the purchaser needs to meet certain criteria to be allowed to buy the property and will need a letter from the District Council stating that they either meet the specified criteria or that they have been granted permission to purchase the property. The same applies to someone wanting to lease a Derbyshire Clause property.
- 1.4 The clause is a permanent clause and stays with the property on any subsequent sale. Therefore, any future purchasers must also satisfy the same criteria or obtain permission from the District Council.
- 1.5 Please note that if the intention for the purchasers at any point during the ownership of the property, to lease or rent out the property, then the tenant's must also need to meet the specified criteria or the potential tenant will use the property as their only or principal home and remains in the dwelling throughout the duration of the tenancy or license.
- 1.6 The purchaser of a restricted property needs to obtain a letter of consent from the District Council to be able to register the sale (or lease) at the HM Land Registry. Failure to obtain such letter of consent means any purchase (or lease) of the property is void and the Land Registry may refuse to register the transaction.
- 1.7 There are currently 863 properties within the Derbyshire Dales District which contain the Derbyshire Dales Clause. This clause only applies to former District Council properties within the Peak District National Park boundary (for example Bakewell, Hathersage, Youlgreave).
- 1.8 This policy is intended to give guidance on what evidence the District Council would want to see before issuing the consent letter and in what circumstances that the District Council may consider granting permission where the purchaser does not meet the criteria.

## **2. EXEMPTIONS**

- 2.1 Section 160 of the Housing Act 1985 contain a number of exemptions where a Letter of Consent is not required these include:-

- The property is transferred or leased to a spouse/civil partner or former spouse/civil partner and they meet the criteria
- The property is transferred or leased to a family member that has been residing in the property throughout the period of 12 months before the transfer and they meet the criteria.
- The transfer or lease is from joint to sole owners and the sole owner meets the criteria; or from a sole to a joint owner (the joint owner does not need to meet the criteria as the previous sole owner already complies).
- The transfer of a property to a beneficiary under a will
- A transfer of property under section 24 or 24A of the Matrimonial Causes Act 1973.
- Transactions under section 2 of the Inheritance (Provision for Family and Dependents) Act 1975
- Transactions under section 17 of the Matrimonial and Family Proceedings Act 1984
- Transactions under paragraph 1 of Schedule 1 to the Children Act 1989
- Transactions under Part 2 or 3 of Schedule 5, or paragraph 9 of Schedule 7, to the Civil Partnership Act 2004
- The transaction is of a result of a Compulsory Purchase

## 2.2 You also do not need permission if you

- Take in a lodger and continue to live in the property;
- If you re-mortgage your property

## 2.3 The Land Registry will however on occasions request a letter from the District Council to confirm it is an exempt transaction in order to complete the registration.

### **3. CRITERIA FOR CONSENT**

#### 3.1 The District Council will provide a Letter of Consent where purchaser meets the following criteria:

##### 3.1.1 Persons who have lived or worked within Derbyshire or the Peak District National Park for a period of three years before the transaction (“the Area”)

The District Council must issue a Letter of Consent if the criteria above is satisfied however the District Council has determined that they will also grant a Letter of Consent in the following circumstances

##### 3.1.2 A person who has a local connection in the Area and is returning to the Area to care for or be cared for by, another relative.

##### 3.1.3 To members of the armed forces with a local connection returning to live in the Area

##### 3.1.4 To be given to companies whose stated aim is to provide housing for those satisfying the qualifying criteria. Consent will be conditional on compliance with this requirement.

3.2 For further details and information relating to the evidence required is detailed below however were possible more than one piece of evidence should be produced to prove each point, preferably a minimum of three pieces of evidence.

### **3.3 Persons who have lived or worked within Derbyshire or the Peak District National Park**

3.3.1 In order to satisfy the requirement to have lived within Derbyshire or the Peak District National Park you must be able to prove you are living and have lived within a property that lies within the required Area for three complete years immediately preceding the transaction.

3.3.2 If purchasing a property jointly, only one person needs to prove the three year connection.

3.3.3 It is not sufficient to show that between the two of you that you have lived in the Area for three years.

3.3.4 For example if one partner had lived in the Area covering 2015 and 2016 and then moved out of the Area but the other purchaser can prove they lived in the Area for one year in 2017, that would not qualify.

3.3.5 Also if at the time you apply for the letter of consent you must still be living or working in the Area. If for any reason you move out of the Area for any period of time or have stopped working in the Area, the three year period restarts.

3.3.6 When applying for consent the proposed purchaser should supply sufficient evidence to support their request. Examples include Council Tax bills, Bank or Credit Card Statements, utilities bills or if renting, rental agreements covering the full period.

3.3.7 The evidence MUST show their name and address and they should provide three pieces of evidence for each year to show continual residence and one of the statements should be dated within the last month to show that the applicant is still resident in the Area.

3.3.8 If you wish to apply for the consent letter because you have worked in the Area for three years. The District Council would require to see your signed contract of employment showing where your employment is based and a letter from your employer stating where your employment is based and stating how long they have worked from that base of employment and recent evidence to show you are still employed prior in the Area immediately preceding the transaction.

3.3.9 Many companies will have multiple offices and employees may be required to work from other offices from time to time. As long as the employee has the specified place of employment at an office within the Area they will qualify.

- 3.3.10 If however the employee is required to work from multiple offices, all of which are not within the Area or their place of employment is outside the Area but they are required to work at an office from time to time within the Area as part of their duties, this will not qualify.
- 3.3.11 To apply under the three year rule it is possible to combine the periods together as long as it is three years with no gaps. So you could have worked in the Area for 2 years, moved into the Areas and been here for at least a year, but have since changed jobs and no longer work in the Area.
- 3.3.12 If you work in the Area but are self-employed the District Council will need to see evidence that shows you or have worked in the Area for 3 years and that at least 75% of the work you have undertaken is in in the Area or your business is based in the Area. Evidence could include copy of a commercial lease, registration with a professional or trade body, copies of invoices to customers or invoices from suppliers or a grant or license to work in the Area, for example a licensed taxi driver with a license issued by the District Council.

**3.4 A person who has a local connection in the Area and is returning to the Area to care for or be cared for by, another relative**

- 3.4.1 A local connection refers to someone who lived or worked in the Area previously for a minimum of three years within the last ten years.
- 3.4.2 Having immediate family that live in the Area can also provide a local connection, if those relatives have lived in the Area for at least three years immediately preceding the transaction.
- 3.4.3 Immediate family mean grandparents, parents, sons and daughters (including step parents and children) brothers or sisters, nieces and nephews.
- 3.4.4 Evidence will need to be provided to show that those relatives are immediate family and have lived in the Areas for at least three years prior to the application
- 3.4.5 The second part of this test is caring for another relative.
- 3.4.6 To clarify for this exemption you must be able to provide evidence of what care that person requires and that the person requires someone living close to them to provide that care.
- 3.4.7 Care can include those that are elderly or for those with a young family and seek assistance with childcare. This can also include those moving to the Area so that family already in locality can provide care. If a person is moving to provide childcare assistance, the District Council will only consider applications where a member of the family is disabled meaning that additional support is needed by either a disabled child or a disabled

parent, or where it can be shown that both parents need to work and that paying for private childcare would cause an excessive financial burden on the family resulting in the family being unable to meet general living expenses.

- 3.4.8 To qualify under the care provisions, you are required to provide evidence to show that care is needed on a regular basis and it is above that which is provided by the state.

### **3.5 To members of the armed forces with a local connection returning to live in the Area**

- 3.5.1 To qualify for the armed forces consent you must either be a serving person in the armed forces or discharged in the last six months after serving your minimum term or being discharged due to medical grounds and must be able to show a local connections.

- 3.5.2 The minimum length of service in each branch of the forces currently are as follows:

- Army (over 18s): Four years
- Army (under 18s): Until 22nd birthday
- Navy: Three and a half years after completion of training or four years' service, whichever is longer
- Air force: Three years after completion of training or four years' service whichever is longer

- 3.5.3 In addition to the criteria stated in point 2 above as to what is a local connection, this will also include any person stationed in the Area for a period of six months while on active service.

### **3.6 To be given to companies whose stated aim is to provide housing for those satisfying the qualifying criteria. Consent will be conditional on compliance with this requirement.**

- 3.6.1 This criteria is for any Registered Social Landlord approved and regulated through the Homes & Communities Agency, to enable them to purchase the property for re-letting for social housing purposes to tenants that would meet the qualifying criteria.

## **4. SALE BY AUCTION**

- 4.1 The District Council has been asked on occasions to give written permission by Auctioneers to sell a property by auction which is subject to a Derbyshire Clause.

- 4.2 The District Council will provide written permission for a property to be sold by auction but this is not a letter of Consent for the purposes of registering the land transaction with HM Land Registry.

- 4.3 Any permission letter will require the Auctioneer to state in any auction catalogue and advertisement that the property is subject to a Derbyshire Clause and that any bidder must meet the criteria and/or obtain a letter of Consent prior to bidding.
- 4.4 The District Council does not guarantee to provide a letter of Consent to a successful bidder in respect of a property sold by auction therefore allowing the sale to complete.
- 4.5 Any bidder that successfully purchases a property at auction without obtaining a letter of Consent prior to bidding does so at their own risk and the District Council is not liable for any losses for the bidder failing to confirm they can legally complete the transaction.

## **5. LETTER OF CONSENT TO SELLER**

- 5.1 The letter of Consent is normally issued to the purchaser of the property. The District Council will in rare circumstances consider issuing a general letter of Consent to the seller where they are suffering substantial hardship or emotional hardship.
- 5.2 This could include (but not limited to) where the seller has marketed the property for over a year, reduced the price to a level below market value for a long period of time with no offers from valid purchasers.
- 5.3 The sellers are facing repossession of the property and needs a quick sale to avoid the mortgage company taking possession.
- 5.4 The seller needs to move to care urgently for sick or venerable family members and needs to sell quickly.
- 5.5 The issuing of a general letter to the seller will only be issued in exceptional circumstances and the District Council would need to see substantial evidence of the situation to agree to a general waiver.

### **5.6 Applicants that do not satisfy the criteria**

- 5.6.1 Where a prospective purchaser fails to provide satisfactory evidence to qualify, then the District Council is not under an obligation to provide consent for the purchase to complete.
- 5.6.2 However, the District Council has discretion as to whether to grant consent, where a prospective purchaser maintains the restriction is unduly harsh.
- 5.6.3 In deciding whether to grant an exception to the restrictive covenant, the District Council will consider the following issues:-



- The prospective purchaser is in key employment and is moving to the Area to take up work in key services, for example Police, Fire, Teacher, NHS or similar key services which have problems recruiting.
- The purchaser will meet the 3 year requirement once the purchase is complete. Any Consent may state that completion cannot take place before a certain date.
- The property have been marketed actively, noting the restrictive covenant details, for at least four months, at a price which takes account of the local occupancy restriction, overvalued properties will not be considered.
- The Seller has reduced the price more than once in order to obtain a purchaser.
- The prospective purchaser must be making the purchase to use the property as their only home and not for rental.
- The prospective purchaser can demonstrate that they cannot afford to purchase an alternative property, which does not having the local occupancy restrictive covenant, at its open market value.
- Where the purchaser has moved away for a short period of time for good reason
- Where the purchaser has moved away for a long period of time but prior to that spent a substantial part of their life living or working in the Area.
- Any other substantial reason the District Council deem appropriate.

5.6.4 When considering granting a Consent letter the District Council will take all matters into consideration and usually require at least 2 of the above reasons to agree to issue the letter, but that does not guarantee that Consent letter will be issued.

5.6.5 The District Council will however not consider the following to be good reasons to waive the restriction:

- Living close to but not in the Area.
- Owning a business that benefits those living in the Area.
- Being unable to sell the property with no efforts to reduce the price to attract a buyer or effectively market the property.

## **5.7 Owners intending to sell a property subject to a Derbyshire Clause**

5.7.1 Sellers of properties are responsible for:

- Making their Estate Agent aware of the Derbyshire Clause
- Notifying the Solicitors acting in the sale of the Derbyshire Clause restrictions an early stage.

- Notifying purchasers that if they intend to rent the property now or in the future that they must obtain a letter of Consent and that prospective tenant must meet the same residency or employment criteria as required if purchasing the property; and the property will be the tenant's only, or principal home.

## **5.8 Renting a Derbyshire Clause Property**

- 5.8.1 The Housing Act 1985 section 157 allows a Derbyshire Clause property to be rented out as long as the tenant meets the criteria as detailed in clause 3.1.1 of the policy.
- 5.8.2 The District Council also agrees to provide written consent to rent the property to a person who meets the criteria in clause 3.1.2 to 3.1.4. An application should be forwarded as per clause 5.9 below.
- 5.8.3 If you wish to rent your property to someone who does not meet the criteria in 3.1.1 to 3.1.4 then you must apply for consent which will be considered in line with this policy and the fee detailed in 5.9.2 below will apply.
- 5.8.4 If at any time following consent being granted the tenant changes, a new consent must be obtained.
- 5.8.5 Consent will only be granted if it is deemed appropriate under this policy and the tenancy is for a minimum period of 6 months and the tenant is occupying the property as their main/principle place of abode.

## **5.9 Applying for a letter of Consent**

- 5.9.1 The prospective purchaser should only apply for a letter of Consent once they have identified a prospective property.
- 5.9.2 The District Council does not charge a fee for a letter of Consent where the applicant meets the criteria, however if the Applicant is asking for the District Council to exercise its discretions a fee of £465 is payable.
- 5.9.3 The request should be sent either by post addressed to:

Derbyshire Clause Application  
 FAO: Director of Housing  
 Derbyshire Dales District Council  
 Town Hall

Bank Road  
Matlock DE3 4NN

Or by email to [legal@derbyshiredales.gov.uk](mailto:legal@derbyshiredales.gov.uk) with Derbyshire Clause Application in the subject heading.

5.9.4 The application should contain the applicant's contact details, including telephone and email address in case further information is required, the full names of everyone purchasing or leasing the property, details of the property and details of the seller, including the estate agents details, full reason in why you are applying for the Consent letter and any documents to support the application.

5.9.5 The District Council aim to make a decision and if acceptable issue a Consent letter within 10 working days from receiving the fee if applicable and all the required information and documentation.

## **6. APPEAL**

6.1 If the District Council has refused to issue a Consent letter, the applicant can appeal the decision to members of the District Council's Licensing and Appeals Sub-Committee. Any request to appeal must be made within 21 days of receiving the refusal letter and the District Council may refuse to refer the decision to members if made after this time.

6.2 The ability to appeal does not deny the applicant the right to complaint through the District Council's complaints procedure, however the failure to take advantage of this ability may be taken into consideration when replying to the complaint.

6.3 Nothing in this policy is intended to fetter the discretion of members on appeal to divert from the policy if deemed appropriate to do so. If the Sub-Committee take such a decision, reasons for diverting from policy will be given.

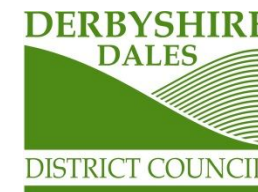
## **VERSION CONTROL**

NEXT REVIEW DATE: On or before 25 November 2024

<b>DATE</b>	<b>CHANGE</b>	<b>VERSION</b>
25/11/2021	Approved Policy by full Council with delegated authority for Director of Housing to make minor changes or amend the policy to take into account	1.0

	Appeal decisions.	

## Derbyshire Dales District Council Equality Impact Assessment



Please refer to the guidance whilst completing this form.

### 1. Outline

a. Title of policy, practice, service or function being assessed	Derbyshire Clause Policy under the Housing Act 1985
b. Service and/or Corporate Plan Ref	Providing a High Quality customer services as delays in making these decision are affecting the sale of properties thus delegating the decision to Officers will speed up the decision making process.
c. Name and Role of Officers conducting assessment	Lee Gardner – Legal Services Manager
d. Date of assessment	01/10/2021
e. Reason for assessment	The policy would be a new policy and therefore a formal assessment is required to make sure there is no discrimination or adverse impact on those subject to a protected characteristic. It is considered that this policy may have an increased impact onto those suffering a disability who may need to sell their home or have relatives move closer to provide support and assistance.
f. What is the purpose of this policy, practice, service or function? (specify aims and objectives)	To give clear guidance to Officers undertaking delegated decisions on whether to exercise its discretions to allow the sale of a property subject to a restrictions on title under sc 157 of the Housing Act 1985 that restricts the sale or lease of a property, subject to the restriction, to persons that have not lived or worked in the area for the last 3 years. There are currently 863 such properties.
g. Are there any other organisations involved in its implementation?	No

h. Likely customer groups to be impacted	Sellers and potential buyers of ex-council house properties situated in the Peak National Park
i. Other stakeholders likely to be impacted	Local Business namely Estate Agents, property sellers
<b>Which District Council departments are affected by the policy, practice, service or function?</b>	Legal Services and Housing
<b>Do any of the objectives directly support or hinder another Council activity?</b>	The Derbyshire clause is intended to help provide affordable housing within the Peak Park and stop villages turning into places filled with holiday lets and second homes thus ruining the local community. The policy is guidance on that decision making process so the policy does not directly impact on that activity but is part of that process.

## 2. Assessing Relevance to the General Equality Duty

<b>The General Equality Duty has three aims which require the District Council to have due regard to the need to:</b>	<b>Tick those which are relevant</b>
1. Eliminate unlawful discrimination (both direct or indirect), harassment and victimisation	X
2. Advance equality of opportunity between all persons by <ul style="list-style-type: none"> <li>• removing or minimising disadvantages suffered by protected groups;</li> <li>• taking steps to meet the needs of people from protected groups where these are different from the needs of other people</li> <li>• encouraging people from protected groups to participate in public life or other activities where participation is disproportionately low</li> </ul>	X
3. Foster good relations between different groups	

**3. What existing information / data do you have / monitor about different diverse groups in relation to this policy, practice, service or function?** For example: previous EIA's, reports, consultation, surveys, demographic data etc.

Information / Data	Data source and date	Information relevant to proposed policy/service/function
<p>Derbyshire Dales Equalities Profile  <a href="https://observatory.derbyshire.gov.uk/wp-content/uploads/reports/profiles/census_profiles/equalities_profile/district/Derbyshire_Dales.pdf">https://observatory.derbyshire.gov.uk/wp-content/uploads/reports/profiles/census_profiles/equalities_profile/district/Derbyshire_Dales.pdf</a></p>	<p>Derbyshire Observatory; taken from Census 2011 - national survey of all households</p>	<p>18.5% of residents have a limited long term health problem or disability, compared to the England figure of 17.6%</p> <p>12.6% of residents are unpaid carers, compared to the England figure of 10.2%</p> <p>19.7% of households are deprived in more than one dimension compared to 24.8% in England</p> <p>24.2% single person households, compared to England figure of 23.7%</p>
<p>Derbyshire Dales Profile  <a href="https://www.nomisweb.co.uk/reports/localarea?compare=E07000035">https://www.nomisweb.co.uk/reports/localarea?compare=E07000035</a></p>	<p>NOMIS Official Labour Market Statistics  Census 2011- national survey of all households</p>	<p>72.4% of residents own their own home compared to 63% of people in England own their own homes.</p> <p>12.2% live in Social Housing compared to 17% in England</p> <p>12.6% live in private rented housing compared to 18.7% in England</p>
<p>Derbyshire Dales Equality Information published on website:  <a href="https://www.derbyshiredales.gov.uk/your-council/equalities/equality-information">https://www.derbyshiredales.gov.uk/your-council/equalities/equality-information</a></p>	<p>DDDC Monitoring data collected by services (in-house and outsourced)</p>	<p>n/a</p>

<p>House prices  <a href="https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/december2020">https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/december2020</a></p> <p><a href="https://www.gov.uk/government/statistics/uk-house-price-index-england-april-2021/uk-house-price-index-england-april-2021">https://www.gov.uk/government/statistics/uk-house-price-index-england-april-2021/uk-house-price-index-england-april-2021</a></p>	<p>ONS Inflation and Price Indices</p>	<p>Derbyshire Dales had an average house price of £283,000 in 2019, compared to a UK figure of £251 000 in the UK.</p> <p>UK average house prices increased by 8.5% to December 2020, to stand at a record high of £252,000. This is also reflected in recent rises in the Derbyshire Dales.</p> <p>In 2020 the average house price in the Derbyshire Dales was £265,131 in April 2021 it was £295,813 – a rise of 11.6%.</p> <p>Purchasing property is difficult for people in the Derbyshire Dales due to this much higher average price.</p>
<p><a href="https://commonslibrary.parliament.uk/research-briefings/cbp-8456/">https://commonslibrary.parliament.uk/research-briefings/cbp-8456/</a></p>	<p>Average wage comparisons UK</p>	<p>Average wages in the East Midlands have reduced by 2% over the previous years; the median weekly pay is £561 [£29,172 per annum] compared to a UK median of £586.</p> <p><b>The salient point here is that wages are lower in Derbyshire Dales than average across the UK, yet house prices are higher than average.</b></p>

**4. Based on the evidence above, does the policy, practice, service or function have a positive or negative impact on any protected group(s)?**



Protected groups	Positive effects	Negative effects	Potential/Actual Improvement Actions
<b>Age</b>	<p>The policy supports younger people getting onto the property ladder, particularly in areas where house prices are inflated due to tourism and second home ownership.</p> <p>Elderly people needing care and support will benefit from family members being able to live close by.</p>	Potential problems such as delays in selling the property, due to the Derbyshire Clause criteria	In the policy, a wide range of people who meet the criteria for a Consent letter, are described in in the policy. Discretion is also allowed when making decisions on suitable applicants. Both of these result in a flexible policy that aims to enable Derbyshire Dales Residents to purchase a property
<b>Disability or long term ill heath</b> Physical disabilities, sensory impairments, limiting long-term illnesses, learning disabilities or mental health issues	The Policy allows Officers to exercise discretion to allow purchases to take place where those suffering from disabilities need to move due to their disability or have relatives move closer to provide care.	Potential problems such as delays in selling the property, due to the Derbyshire Clause criteria	As above
<b>Race / ethnic groups</b>			
<b>Women or men</b>	The 2020 mean gender pay gap is 6.5% and the median gender pay gap is 15.9%. Click the link to see <a href="#">Pay gap statistics</a>	Potential problems such as delays in selling the property, due to the Derbyshire Clause criteria	As above

Protected groups	Positive effects	Negative effects	Potential/Actual Improvement Actions
	<p>More affordable properties could therefore benefit women</p> <p>The majority of unpaid carers are women – the policy aims to assist carers moving closer to their families.</p>		
<b>Sexual orientation</b>			
<b>Religion or belief (including non-belief)</b>			
<b>Transgender</b> (including people planning to or going through gender reassignment)			
<b>Pregnancy and maternity</b> (including maternity and paternity leave)			
<b>Marital status</b> (including civil partnership & same sex marriage)			

**4a. Are there any local priority groups / factors which should be considered?**

Other factors	Positive effects	Negative effects	Improvement actions
Rural areas	n/a	n/a	n/a
Poverty / deprivation	n/a	n/a	n/a
Derbyshire Dales is one of the most popular areas for tourists in the UK		<p>Low wages in service sector, seasonal jobs.</p> <p>Higher than average house prices – particularly smaller/starter type properties.</p> <p>Lack of affordable accommodation to rent</p>	

## 5. Consultation and engagement

Do we need to seek the views of others and if so, who? If not, please explain why.

The policy was subject to a 6 week consultation which specifically obtained the view of local business affected by the Clause namely estate agents.

**6. Commissioned / outsourced services**

**7. Improvement Plan**

Key issues identified	Actions
n/a	n/a

**PLEASE FORWARD THE COMPLETED FORM TO THE POLICY MANAGER / POLICY OFFICER (Consultation & Equalities)**

Signed Lee Gardner (Completing Officer)

COUNCIL  
27 JANUARY 2022

Report of the Director of Housing Services

## **COUNCIL HOUSING UPDATE REPORT**

### **PURPOSE OF REPORT**

The purpose of this report is to advise Members of the progress concerning the Council's housing programme. Having selected Nottingham Community Housing Association as the Council's Development and Management Agent in December 2020, work has been progressing to bring forward the first homes delivered in 2021/22.

### **RECOMMENDATION**

That Members note the progress of the Council Housing programme.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

The development of new council housing supports the Council's objective to enable and provide affordable homes. The rental income will also support the Council's wider objectives and deliver services to residents. 'Prosperity' is highlighted in the Corporate Plan 2020-24 as a District Council priority due to low local wages and high local house prices. With regard to the recommendations in this report, the District Council specifically aims to: Promote housing development that meets the needs of the present and future population of the District. Within this aim, there is an action to: Build new Council homes to rent and continue to build social rented homes in partnership with Housing Associations. There is also an action to: Review opportunities as we strive to be a more commercially-minded District Council. Delivering council homes to local people will help to meet housing need in the district and generate rental income to support the Council's wider strategic objectives.

### **1 BACKGROUND**

- 1.1 At full Council on the 14<sup>th</sup> December 2020 Members approved the selection of Nottingham Community Housing Association (NCHA) to act as the Council's Development and Management Agent. Members also approved the recommendation that regular update reports should be brought to the Community and Environment Committee and an annual report to full Council. This report represents the first annual update to Council.
- 1.2 NCHA has significant experience in the delivery of affordable housing and their expertise together with their existing presence in the district is proving particularly beneficial.

- 1.3 The District Council is registered with the Regulator of Social Housing and subject to the requirements of the Regulator and the Housing Ombudsman. There are various statutory returns that are required to be completed each year. The District Council is not an Investment Partner with Homes England, instead the Council's contract with NCHA provides the Council with access to the Blue Skies Consortium and this in turn allows the Council to access Homes England grant. This is deemed to be a good way of accessing grant because it avoids the complexity of further regulation that comes with being an Investment Partner.
- 1.4 The Council's programme should also be viewed in the context of the wider affordable housing programme, reported to Committee on 5<sup>th</sup> July 2021. The Council's housing ambitions are in their infancy and will only deliver around 10% of the total programme.

## **2 UPDATED BUSINESS PLAN**

2.1 As set out in the previous update reports to the Community and Environment Committee, development of affordable housing can be challenging as some existing opportunities change, whilst new opportunities come to the fore. The first year of the programme has reinforced our knowledge of the development process and highlighted several areas of learning;

- The development process takes time and there is a heavy reliance on suppliers to undertake surveys and assessments necessary to inform the development process
- Bidding to Homes England is an option for the Council but our initial programme of empty homes work is not currently supported by Homes England following a change to their policy
- Build costs and supply of materials are a real issue. The Council's small programme will struggle to benefit from the economies of scale that larger schemes can generate. Despite this, there are several local contractors able to tender for some of the opportunities the programme will generate
- The consultation process with the Chair and Vice Chair of the Community and Environment Committee and relevant Ward Members concerning potential opportunities has worked well.
- Regular monitoring of RightMove and private developments with S106 units to sell is necessary to keep up to date with opportunities. Some elements of the property market move very quickly and it is not always possible to meet the deadlines of vendors. Equally some opportunities progress very slowly and stay dormant for considerable periods.
- The Council's position in the market is relatively unique given the limited interest that other housing providers currently have for small s106 sites. Without the Council's interest these properties could be left unsold and potentially become open market homes.

2.2 Several opportunities are set out in the report below. Some of the details at this stage remain in outline form because there is still work to do in relation to consulting Town and Parish Councils and some sites are commercially sensitive. Feedback from NCHA and other housing associations indicates that build costs for small schemes are increasing significantly. This build cost inflation is being driven by factors beyond the Council's control namely the availability of materials and trades, Brexit, COVID, the availability of SME building firms and changing standards concerning ecology and environmental performance. The Council's own small sites may prove more challenging to deliver in the current climate.

2.3 Officers had previously identified the sites below which could deliver up to 25 homes;

- Station House, Matlock. Consultation with ward members has taken place and pre application advice has been sought from the Council's Development Control Team. The initial proposal would see the conversion of the building into 2x1 bedroom flats. Pre application advice suggested a different approach to the property given the impact conversion would have on the internal characteristics of the building. A review of the possible options for the property are being considered. This is a sensitive site and officers are keen to ensure the renovation of the property.
- District Council owned site at Edgefold Road. Pre application advice was sought for 4x1 bedroom flats. The advice suggests that a smaller scheme would be more appropriate and so a revised appraisal is under way for 2x1 bedroom flats.
- District Council owned site Kirk Ireton. Pre application advice was sought for 2 bungalows and has indicated only one property is suitable for this site. A viability appraisal for the reduced scheme is underway.
- District Council owned site in Wirksworth. A viability appraisal concerning up to 8 homes was prepared but the site has several constraints and has therefore been reduced in size to 3 homes. A revised design and appraisal has been produced and further site investigations are in progress.
- A property and capital funding bequeathed to the Council has now transferred to the Council. An additional capital sum of £110,000 will also be received by the Council in 2022/23. The Council and NCHA are working with the existing tenant to bring forward improvements.
- Ashbourne S106 opportunities. NCHA are taking forward the purchase of 10 houses for the Council at £1 per property as part of two planning gain sites. These units are due to complete in 2022. Some costs will be incurred to finish the homes to the social housing standard. A capital programme bid to Council will be sought for the estimated costs of £42,000 for the first 7 homes, with a second bid to follow for the remaining three homes.
- Two empty homes, one in Darley Dale and one in Matlock have been purchased and improvement/renovation works are being planned. These include energy efficiency upgrades that will see both properties reach EPC B.
- An existing social landlord is seeking to dispose of a lease concerning 5 rented homes at nil cost to the new landlord. Legal agreements are well advanced and the Council will take on a new 125 year lease from the Palfreyman Trust for 5 properties in Monyash. The properties are off gas and require specialist advice to substantially improve the energy performance of the homes. A capital programme bid will be seeking funding to cover the refurbishment and retrofit costs of the 5 homes. The ward member has been regularly updated on this opportunity.

2.4 Further additional opportunities are also being appraised including;

- S106 schemes in Wirksworth, Matlock/Tansley and Hartington. Consultation with the Chairman, Vice Chairman and the relevant Ward Members has been undertaken in relation to these opportunities.
- Additional S106 opportunities are also likely to come forward over the next 18 months. These opportunities are a good fit with the business plan because of the low numbers involved. They are also of limited interest to much larger housing providers and so support the Council's wider strategic objectives.

2.5 Several sites will require capital funding through financing by the District Council and grant from Homes England. The housing element of the capital programme has £2.5m available. The financial appraisals of several sites are yet to be completed but the current programme would only use a fraction of the available resources. Homes England grant is not available to purchase s106 homes.

2.6 One of the key considerations in the programme is the ability to deliver homes with high energy efficiency performance. On new build the aim is to achieve EPC rating A, and on retrofit of existing properties to achieve EPC B. However each scheme will be reviewed on its own merits. The Climate Change Impact Assessment reflects the fact that new and retrofit homes will have better insulation and renewable technology installed to meet the higher EPC ratings. NCHA have in house expertise that is also helping them to deliver high energy efficiency standards in their own development programme. NCHA also have a tried and tested approach to their Employers Requirements which set out contractor's obligations and include the detailed requirements for delivering the homes and other quality issues ranging from space standards to provision of toilet roll holders.

2.7 As set out in the November 2020 report to Council, the programme focuses on low risk opportunities and standard tenure types for which grant funding is available through Homes England, namely social rent, affordable rent and shared ownership. The property types will also reflect local housing need with 50% of the Housing Register comprising single people, development of 1 and 2 bedroom properties is key.

2.8 Rental income from the homes will be a new revenue stream for the Council. When the current programme reaches 52 homes, projected income will reach £200,000 per year, after management costs.

### **3 RISK ASSESSMENT**

#### **3.1 Legal**

As this report is to note the current progress there are no decisions to be taken thus the legal risk is low.

#### **3.2 Financial**

Current capital resources that are available exceed the requirement for the schemes identified in this report.



As stated above, rental income from the homes will be a new revenue stream for the Council. A proportion of the rental income will need to be set aside each year, in a new Housing Major Repairs Allowance Reserve, to finance future works such as replacement of kitchens, bathrooms and windows.

The financial risk of this report is assessed as low.

#### 4 OTHER CONSIDERATIONS

4.1 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.

#### 5 CONTACT INFORMATION

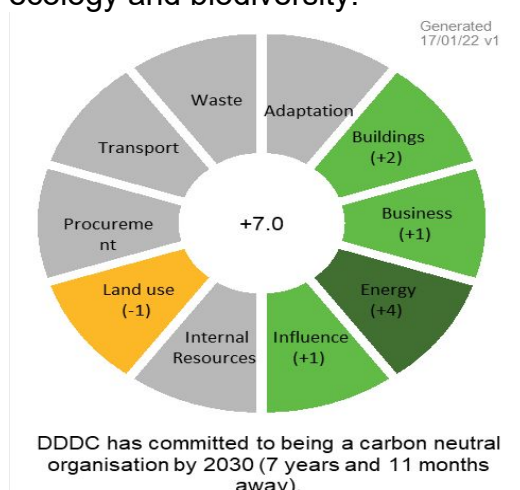
Robert Cogings - Director of Housing  
Tel: 01629 761354  
Email: [robert.cogings@derbyshiredales.gov.uk](mailto:robert.cogings@derbyshiredales.gov.uk)

#### 6. BACKGROUND PAPERS

Report to Full Council 14<sup>th</sup> December 2020  
Community and Environment Committee 8<sup>th</sup> April 2021  
Community and Environment Committee 22<sup>nd</sup> September 2021

#### 7. Climate Change Impact Assessment

The majority of the current programme is focused on existing brand new homes purchased from private developers, or older homes that are in need of modernisation. The majority of new build homes will achieve EPC A or B based on a fabric first approach. The area where the Council's investment will have greatest impact from a climate change perspective, concerns existing homes that require both substantial improvement in the building's fabric to prevent heat loss and renewal energy solutions to reduce demand for gas/oil and electricity. Bringing empty homes back in to use and leading by example are effective methods to influence and encourage other property owners to improve their homes. The Council's own new build proposals are still in development but ultimately exception sites and small rural developments will have an environmental impact despite the efforts to support ecology and biodiversity.



**COUNCIL**

27<sup>th</sup> JANUARY 2022

Report of the Chief Executive

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**RESILIENCE, RESOURCES, PRIORITIES**

**PURPOSE OF REPORT**

The report sets out the Chief Executive’s proposals to invest in additional organisational resources in order to ensure that the Council is adequately resourced to deal with existing and future priorities / challenges.

**RECOMMENDATION**

1. That the Council acknowledges the current challenges and pressures on organisational resources and capacity.
2. That Council supports the proposals for the restructure of the Electoral and Democratic Services Team as outlined in the report and that the additional net costs of £14,667 be included within the draft budget for 2022/23.
3. That Council support the proposals for the restructure of the Regeneration and Policy Team as outlined in the report and that the costs (to be met from vacant posts and revenue grants unapplied for 2022/23 and 2023/24) of £52,475 be included within the draft budget for 2022/23.
4. That Council approve the staffing resources for Phase 2 of the Digital Transformation Programme and that the costs of £99,523 be included within the draft budget for 2022/23.
5. That subject to the approval of higher empty homes premiums, Council approve the establishment of an Empty Homes Officer post for an initial period of 3 years, and that the costs of £38,260 be included within the draft budget for 2022/23.

**WARDS AFFECTED**

All Wards

**STRATEGIC LINK**

The need for the Council to deliver and maintain a sustainable financial plan underpins the District Council’s Corporate Plan. An effective organisational structure that is appropriately resourced and aligned to the delivery of the Council’s priorities helps to deliver the Council’s ambitions and plans for the District as a whole.

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1. **BACKGROUND**

- 1.1 The Council has always prided itself on providing high quality, responsive services that contribute significantly to residents’ well-being and quality of life. However, at a

time when the service demands placed upon the organisation from residents and Members are increasing, it is necessary to evaluate whether the resources currently available are capable of delivering against these rising expectations.

- 1.2 As Head of Paid Service, it is my responsibility to inform Council of the staffing resources required to discharge the functions of the authority. It is also my responsibility to reflect upon the future ambition of the Council and advise whether we have the resources in place to deliver on the collective ambition of the Council.
- 1.3 Since 1<sup>st</sup> April 2014, the Council has delivered over £2.7m of savings and efficiencies and has fundamentally reviewed its approach to service delivery, most notably in respect of Leisure services, Revenues and Benefits services and Building Control services, in order to deliver a balanced budget every year. This is against a backdrop of increasing demands for services and new service burdens placed upon the organisation.
- 1.4 Throughout this period, there has also been a gradual reduction in organisational headcount which has been necessary in order to deliver balanced budgets whilst seeking to minimise the impact upon our communities. Whilst some of this has been reversed in the last three years with additional investment in some parts of the organisation, there is increasing evidence to indicate that the capacity of the organisation remains stretched in a number of key service areas, which is manifesting itself in increasing and unsustainable workloads and deteriorating mental health and wellbeing. This is evident through individual discussions with employees, increased HR referrals made to the Council's confidential counselling support services and our internal mental health first aiders. As a responsible employer, the District Council cannot ignore these issues and needs to ensure that the organisation not only has the resources necessary to deliver the services required, but that the pressures and expectations placed upon individual members of staff are managed.

## **2. STRATEGIC LEADERSHIP CAPACITY**

- 2.1 The role of the Corporate Leadership Team (CLT) is to develop and implement the Council's approved policies commensurate with the achievement of the Council's overall aims, objectives and priorities. CLT also discuss key issues affecting the management of the organisation and considers other internal control issues including risk management, performance management, compliance, efficiency and value for money and financial management.
- 2.2 Following the appointment of a new Chief Executive in June 2018, there remains a vacancy in the form of a Corporate Director. The role of the Corporate Director was first established in 2013 in response to an LGA Peer Challenge which identified a lack of strategic capacity to support the delivery of the Council's priorities. At this time, two Corporate Director posts were created with the intention of creating additional capacity at a strategic level, beyond Head of Service level. The role of the Corporate Director was to work with the Chief Executive in taking forward the transformation agenda and to deliver other strategic projects across the organisation.
- 2.3 The organisational structure approved by Council in 2013 and implemented on 1<sup>st</sup> February 2014 included the Chief Executive, 2 x Corporate Directors and 7 x Heads of Service. These Officers formed a Corporate Leadership Team of 10 highly experienced and skilled staff whose primary responsibility was to organise, manage and deliver the Council's frontline services and strategic priorities.

- 2.4 However, less than 12 months after implementation, in January 2015 one of the Corporate Director posts was deleted from the establishment following the retirement of the post-holder and the savings accrued have contributed towards the Council's corporate savings target. The Head of Environmental Services also resigned her position (February 2017) and two departments were merged into one to form the Community and Environmental Services Department. The Corporate Leadership Team was thus reduced by 20% from 10 to 8 with some Heads of Service having extremely broad remits and strategic responsibilities, most notably the Director of Community and Environmental Services and the Director of Regulatory Services.
- 2.5 Since June 2018, the remaining Corporate Director post has remained vacant on the establishment (albeit not included within the 2021/22 revenue budget), thus reducing the strategic capacity of the organisation from 10 (February 2014), to 9 (January 2015), to 8 (February 2017), to 7 (June 2018). The Corporate Leadership Team is, therefore, now having to deliver the Council's services and priorities with 30% less strategic capacity than it had in 2014. Outside day to day service delivery, it is increasingly evident that this is having a direct and tangible impact upon the ability of the organisation to respond to new opportunities and deliver on its own corporate priorities or projects (both internally and externally) as there is no surplus strategic capacity available.
- 2.6 Such a significant reduction in strategic capacity has coincided with the Council undertaking a series of ever more complex, large scale projects including the outsourcing of the Leisure service, a series of strategic service reviews (public convenience provision, Clean and Green service review), the re-tender of the waste and recycling contract, the introduction of an organisational digital transformation programme including the introduction of a Customer Relationship Management (CRM) system and the delivery of large scale regeneration projects (Ashbourne Airfield). Since March 2020, we have also had to deal with the commitments arising from the declaration of a climate emergency in May 2019 and the development / implementation of a strategy and action plan, alongside dealing with the significant impact of a global pandemic with major impacts upon key frontline services.
- 2.7 Whilst nobody could have predicted the Covid-19 pandemic, the impact of dealing with significant service disruptions including the design and implementation of new service delivery models, the implementation of numerous Covid grant schemes (which continues), enforcement of complex and ever changing regulations and the sustained challenges of delivering a waste and recycling service (including the commissioning of an independent review) cannot be understated. Both prior to and throughout the last two years of the Covid-19 pandemic, the current demands placed upon the Corporate Leadership Team and certain senior officers are simply unsustainable with little appreciation of the impact that this is having upon employee wellbeing. There is a limit to what is reasonably possible and certainly in recent times, that limit has been consistently exceeded to the detriment of employee health and wellbeing. This situation cannot become the norm, otherwise the organisation not only risks the health of its employees but also risks losing highly experienced and knowledgeable staff either as a result of early retirement or to other organisations. It is not a sustainable position for the organisation to be in. There needs to be a greater appreciation of officer capacity and resource limitations which includes the personal demands of members placed upon officers, outside of the agreed Council and service priorities.

- 2.8 Similar challenges exist at senior manager level. Due to a number of key functions being delivered by officers in 'singleton' posts e.g. Estates and Facilities, there is often insufficient capacity to respond to members' individual service demands or external demands which lie outside the agreed corporate priorities. It is therefore vitally important that once agreed and set, the priorities of the Council take precedence and are adhered to.
- 2.9 In March, the Council will be considering an updated Medium Term Financial Plan. Whilst financial uncertainty continues to exist beyond 2022/23, if the Council wishes to realise the full extent of its ambitions, maintain a healthy workforce and maximise all available opportunities that exist, it cannot do so without being prepared to invest in additional strategic and organisational capacity.

### **3 ORGANISATIONAL CAPACITY**

- 3.1 The 2019 Corporate Peer Challenge identified that the District Council has good, dedicated staff who are well thought of, enjoy working for the Council and are clearly dedicated and passionate about working for Derbyshire Dales. These views are also reflected in the 2021 staff survey with 79% of staff either fairly satisfied or very satisfied with the district council as an employer.
- 3.2 This is particularly encouraging in the context of the last decade or so, where the Council has been streamlining its service delivery and staff numbers have reduced to ensure that frontline services are protected and the books are balanced. However as a consequence, the pressure on staff to do more for less, at all levels within the organisation, continually grows. This is against a backdrop of salary and wage constraints that invariably do not keep pace with the cost of living and being in the part of the public sector family that attracts little public support, unlike the NHS or Police. Given this framework within which the staff and Members are working, it is ever more important to ensure that the organisation uses its capacity wisely. This means that both Members and the public need to be more aware of what an organisation of this size can realistically and financially deliver, particularly in the discretionary service areas. It is also necessary for the Council to be clear about its priorities. On occasions, the prioritisation of resources to ensure the delivery of corporate projects and priority services will reduce the resources available to undertake non-priority work and it is important that this is understood and respected by all.
- 3.3 In regard to organisational capacity, there are a number of areas that require immediate attention.

#### Electoral and Democratic Services

- 3.4 The Electoral and Democratic Services Team delivers electoral services and supports the democratic machinery of the Council. It currently comprises:
- Electoral and Democratic Services Manager (1.0FTE)
  - Electoral Services Supervisor (1.0FTE)
  - 2x Democratic Liaison Assistants (annualised hours 0.6FTE and 0.5FTE)
  - 2 x Democratic Services Officers (0.6FTE)
  - Committee Assistant (0.15FTE)
- Total : 4.45 FTE

- 3.5 Due to a number of resignations and a retirement in the section, in the last few months the team has been severely depleted with 3.6 FTE vacancies arising. Whilst this situation has been challenging to manage, it has enabled a fundamental review of the staffing structure to be undertaken. At present, it is considered that the team as a whole lacks the capacity needed to deliver an efficient, effective and modern Electoral and Democratic Services function. The current resources are very much focused on the practicalities of dealing with immediate issues rather than having the capacity to carry out many other functions including delivering effective member liaison which can manage pressures elsewhere within the organisation.
- 3.6 CLT have therefore considered and approved a business case which includes the potential to introduce a new Committee Management System with staffing resources better aligned to the demands of Members and the public. The revised structure comprises:
- Electoral and Democratic Services Manager (1.0FTE)
  - Electoral Services Team Leader (1.0FTE)
  - Democratic Services Team Leader (1.0FTE)
  - Democratic Liaison Assistant (0.5FTE)
  - 2 x Democratic Services Assistant (1.0FTE)
  - Democratic Services Officer (0.6 FTE)
- Total : 6.10 FTE
- 3.7 The most significant changes arise in respect of electoral services, due to a number of factors including:
- i) Workloads – as a result of changes to electoral registration and the annual canvass, the workload of the team has increased as has the complexity of the registration process.
  - ii) Business Continuity – Under the current structure, as there is only one full-time employee, there is a lot of reliance on the Electoral Services Supervisor to provide officer cover and act as the “expert” on the Electoral Management system. In the current climate there are concerns that, should the supervisor be unable to work, there is limited capacity to provide cover.
  - iii) Reputation – In recent years the electoral registration and elections service have come under additional scrutiny especially around the area of postal voting. The reputational damage caused by any errors is significant and the risk of errors is increased by underinvestment in the service. There are risk registers in place for both the annual canvass and elections, both of which identify the sudden unexpected loss of key staff as significant. Providing additional support in the team does not eliminate this risk but it does reduce the impact.
  - iv) Encouraging Participation - Additional capacity in the team would allow us to look at initiatives to improve registration and participation levels and to maintain the integrity of the register. This could include developing strategies for targeting households that consistently do not respond to the annual canvass and following up on those who do not respond to invitations to register and promoting participation in general. The revised performance standards for Electoral Registration Officers requires the ERO to produce and deliver a Registration Plan and a Public Engagement Strategy .The current structure does not provide the capacity to carry out this work.

- v) Succession planning – Having another full time team member at a lower grade will help with succession planning should other team members leave.
- vi) Legislative Changes – The Elections Bill includes measures which cannot be supported within the current staffing structure as they will increase the administrative burden of the ERO. These measures include the introduction of voter identification which means that all voters will need to provide voter ID to vote at a polling station. Although it is likely that the legislation allow existing forms of photographic ID to be used there will still be a significant number voters who do not have appropriate ID that will require the ERO to produce and issue ID cards. To spread out the high demand during election periods the team will need to be more proactive during the canvas and at registration to make sure electors have appropriate ID.

3.8 The total additional annual cost of this revised structure (excl. 2021 pay award) is £48,520 including on-costs. Part of this can be off-set by an existing vacancy on the departmental establishment which is no longer required to be filled, leaving a net funding annual shortfall of £14,667 including on-costs. It is requested that Council approve this additional £14,667 in the draft budget for 2022/23.

#### Regeneration and Policy Services

3.9 Regeneration and Policy service teams have undergone virtually no structural changes since their formation in February 2014. Despite the (then) Council making economic development its top priority, no new staff resources were provided. Similarly, the planning policy team is identical to that of a decade ago. This team was created from a diverse combination of economic development, tourism, corporate policy and planning policy teams from across the organisation. Whilst they have performed well to date, the demands facing both these services are changing and becoming increasingly interlinked, hence the need for review.

3.10 Economic development has been a key priority for the Council for a number of years and is again a key priority identified in the Corporate Plan (2019-2023). Following the adoption of our new Economic Plan, there is a need to invest in strategic capacity to improve the use of housing and employment sites and drive negotiations with developers in order to achieve site delivery.

The October 2019 Corporate Peer Challenge said:

*The council should consider its own skills base and investment capability to promote jobs and business growth. The draft economic plan drives an ambitious direction at a time when site delivery and wider economic circumstances are challenging and suitably skilled staff are needed.*

*Once the new corporate plan priorities have been confirmed, there will be the need to further review capacity and skill requirements to deliver – “step up from enabling to delivery”*

3.11 Since the Peer Challenge, and in anticipation of this review, three vacant part-posts have been held on the establishment with their salaries remaining in the revenue budget. The current staff in post total 5.6 FTE permanent and 1.0 FTE temporary employees, as follows:

- Economic Development Team (2.3 FTE)  
(plus 1.0 FTE temporary business advisor to March 2022)

Of the 2.3 FTE's, 1.0 FTE is an economic development professional. The remainder comprise two part-time former tourism officers who have worked hard to adapt to more business-focused roles. The current team is skilled at business advice, making and monitoring funding bids and inputting positively to wider economic partnerships

- Planning Policy Team (2.7 FTE)

This comprises 2.2 FTE planning policy professionals, and a 0.5 FTE administration assistant whose principal role is site visits to monitor development completions

- Corporate Policy Team (0.6 FTE)

This is now a single part-time person covering performance management, equalities and consultation.

Taken together, of the 5.6 FTE permanent posts, there are 3.2 FTE staff qualified in relevant planning and regeneration professions. The 1.0 FTE temporary business adviser also has the professional qualification for her role.

3.12 The Corporate Plan 2020-24 includes the following priorities and actions for Regeneration and Policy:

PROSPERITY	
<b><i>Invest resources in developing key employment sites</i></b>	<b><i>Facilitating the development of Ashbourne Business Park and Phase 1 housing at Ashbourne Airfield</i></b>
	<b><i>Pursuing funding to unlock employment land at Middleton Road/Cromford Road, Wirksworth</i></b>
	<b><i>Prioritising regenerating housing and employment sites</i></b>
<b><i>Promote investment to stimulate the economy of our market towns</i></b>	<b><i>Initiating a development scheme for the Bakewell Road site, Matlock town centre</i></b>
	<b><i>Complete a review of the Derbyshire Dales Local Plan</i></b>
	Support communities in developing Neighbourhood Plans
Support businesses to encourage productivity, growth, and higher wage jobs in rural and urban locations	Continuing to provide a high quality, free, 1:1 business advice service to small and medium sized businesses
	Launching the Derbyshire Dales Place Branding Initiative
PLACE	
	Preparing and adopting a Supplementary Planning Document on Climate Change
PEOPLE	
	Undertaking an annual online survey of residents to establish customer satisfaction and priorities



- 3.13 With current skills and capacity, the service is well equipped to meet those priorities in the lower part of the table above; but those priorities in the upper part of the table (in bold italics) present significant challenges.
- 3.14 Broadly speaking, there is now a mismatch of skills and capacity against Council priorities, which can be summarised as follows:
- **“Invest resources in developing key employment sites”**. Developing brownfield sites for housing and employment (to take housing pressure off greenfield sites and provide new employment units) which are not being built out by the market, i.e. physical regeneration. These require regeneration skills and experience that the current team does not possess including surveying, design, construction and commercial property. Councils that are actively intervening in regeneration e.g. Chesterfield Borough Council, have invested in dedicated teams with the appropriate skill sets and qualifications.
  - **“Promote investment to stimulate the economy of our market towns”**. Market town regeneration also includes physical regeneration. There is a current target to deliver the Bakewell Road site in Matlock. This is a small (Council owned) and relatively deliverable scheme and is being project managed by the existing team, only because the team is doing no other regeneration work. If Members were to direct the Council to pursue regeneration in other market towns, where we are not landowners, the skills set out above would be required to meet this priority too. The imperative in 2022 is to bid for, and if successful, deliver Levelling Up Funding (of which £20 million is notionally earmarked for regeneration in our district) means this lack of capacity and skills is untenable.
  - **Local Plan**. Whilst the team successfully delivered a Local Plan in 2017, this was with the benefit of three temporary staff and various consultants. It also involved, full time for a period of many months, the then Corporate Director. In order to drive forward and de-risk the delivery of brownfield sites, much of the detailed site work that hitherto might have been undertaken by developers in submitting applications for outline permission should be done by the Council as part of the Local Plan process. This requires a wholly different set of skills to those previously employed. It is in fact a huge opportunity for the Council to masterplan key sites in advance of developers coming forward – but to do so requires knowledge and skills that the current team does not have.
- 3.15 What the service is currently set-up to deliver is traditional economic development (business advice and local marketing), and traditional planning policy (local and neighbourhood plans and SPDs). However this is only part of what is now demanded by the Council. Physical site regeneration has been highlighted by Members in the Corporate Plan and peers as needing improvement, but it is not possible to deliver this with existing resources. There is also a commitment to support businesses to reduce their carbon footprint as per recommendation 10 of the Climate Change Update Report considered on 14<sup>th</sup> October, but at the moment there is little capacity to actively do this. The new style of regeneration requires the Council to proactively lead work on site development. The resource to manage and to undertake such work does not exist in the current establishment.

3.16 In November 2020, Council adopted an Economic Recovery Plan with three priorities:

- Invest resources in regenerating housing and employment sites
- Re-invest in the Bakewell Road Matlock site
- Re-shape Regeneration Services to drive investment in brownfield and other key housing/employment sites

It also adopted the principle of Council intervention in regenerating brownfield sites for housing and employment, and building such costs into the revenue budget.

3.17 Immediately afterwards, a further Covid-19 national lockdown was imposed and progress on these priorities was rendered impracticable due to the need to divert all available resources onto the administration of numerous business support grant schemes and corporate Covid relief efforts.

3.18 However, this work has now been completed and a business case has been presented and approved by CLT. The proposed new team structure can be summarised as:

Regeneration and Planning Team

- *Regeneration and Planning Manager 1.0 FTE (new post – to lead regeneration linked to local plans)*
- *Regeneration Officer 1.0 FTE (new post – to manage physical site regeneration)*
- *Planning Policy Manager 1.0 (new post – to manage local plans)*
- Senior Planning Policy Officer 0.6FTE
- Planning Policy Officer 0.6 FTE
- Administrative Assistant 0.5 FTE
- Temporary staff to support Local Plan review (e.g. casual & graduate)

Policy and Economic Development Team

- *Policy and Economic Development Manager 1.0FTE (new post – to lead and manage corporate policy team and ED team)*
- Temporary Business Advisor 1.0FTE
- Economic Development & Tourism Officer 0.7FTE
- Economic Development & Tourism Officer 0.6FTE
- Policy Officer 0.6FTE

3.19 Of the four new posts to be created (in italics above), two existing 1.0 FTE posts would be deleted (Policy Manager and Economic Development Manager). Holders of those two deleted posts would be incorporated into the new structure in accordance with the Council's Change Management Policy. The remaining posts (not in italics) are unchanged, and the temporary Local Plan posts do not become part of the establishment.

3.20 The total additional annual cost of this revised structure (excl. 2021 pay award) is £52,475 per annum (including on-costs). The first 2 years of this cost (2022/23 and 2023/24) can be met by a combination of savings on existing vacancies within the approved Regeneration and Policy establishment (£60,331) and Revenue Grants Unapplied held in reserve for additional burdens (£122,113). In year 3 (2024/25) there will be a net additional cost of £35,310 rising to £52,475 in year 4 (2025/26).

3.21 It is requested that Council approve these additional costs in the draft budget for 2022/23.

### Digital Transformation

3.22 At the meeting of Governance and Resources Committee on 30<sup>th</sup> September 2021, members approved in principle, Phase 2 priorities for the Digital Transformation Programme. In due course, further reports will be presented to Members on the detailed implementation programme to deliver these priorities.

3.23 The corporate digital transformation project was originally established in 2019 for a 2 year duration with a potential further year extension, which was ultimately adopted. The primary focus of the project was the implementation of the CRM system and supporting the council in moving to a digital first principle.

3.24 In addition to delivering Phase 1 of the corporate transformation projects, the team of two officers have also played a key role in delivering aspects of the District Council's response to the Covid pandemic by providing digital solutions for a wide range of initiatives including gauging business plans for restarting following lockdowns, allowing business to apply digitally for pavement licenses and providing full end to end digital processes to apply, process and pay over 10,000 business grants and test and trace support payments which have resulted in over £37 million worth of payments to be made as fast and efficiently as possible.

3.25 The two members of staff who are employed on digital transformation, are employed on fixed term contracts which are due to end in June 2022. In order to progress with Phase 2 of the programme, it will be necessary to extend these contracts for a further 2 year period.

3.26 The total additional annual cost of this extension (excl. 2021 pay award) is £99,523 per annum (including on-costs). It is requested that Council approves the inclusion of the additional costs in the draft budget for 2022/23. The salary costs have previously been financed by transfers from the Customer Innovation Reserve. Elsewhere on the agenda for this meeting is a report on revenue budget monitoring, which recommends a transfer of £200,000 to the Customer Innovation Reserve in the current financial year (2021/22). Subject to Members' approval, this will fund the costs of the digital transformation team for the two year contract extension.

### Empty Homes Officer

3.27 Elsewhere on this agenda, Members are asked to consider the introduction of higher levels of empty homes premiums for properties that have remained unoccupied and substantially unfurnished for more than 5 years. The purpose of the empty homes premium is to act as an incentive for owners to bring empty homes back into use. However, the premium is only one tool available to councils concerned about the number of empty homes within their area. Many councils also employ a dedicated officer whose role is to advise and support owners of empty homes. The officer is expected to help owners to explore options, publicise the premiums, signpost services (e.g. how to engage an estate agent, get planning permission, building control services etc.), produce newsletters, develop strategies to support owners e.g. selling property to the Council and supporting council housing growth, helping to engage private buyers, taking property to auction etc.

- 3.28 Without a dedicated resource the Council lacks the capacity to properly support owners of empty homes. It also increases strain on the Council Tax service in particular. The Council previously employed an Empty Homes Officer using external grant funding. Over a two year period this post had a significant impact on the total number of empty homes but this arrangement came to an end when the grant funding expired.
- 3.29 Subject to the adoption of the higher premiums, it is therefore proposed that the Council reintroduce an Empty Homes Officer for an initial period of 3 years, funded by New Homes Bonus in 2022/23, but thereafter funded by the Derbyshire Dales proportion of the empty homes premium and any additional New Homes Bonus payments received.
- 3.30 The total additional annual cost of this post (excl. 2021 pay award) is £38,260 per annum (incl. on-costs). It is requested that Council approve these additional costs in the draft budget for 2022/23 and for the subsequent 2 years.

## 4. RISK ASSESSMENT

### 4.1 Legal

The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff. The legal risk is therefore assessed as low.

### 4.2 Financial

The estimated annual salary costs in 2022/23 (including on-costs) of the proposed changes to the structure are estimated as:

- Electoral and Democratic Services - £14,667 (excl. 2021 pay award)
- Regeneration and Policy - £52,475 (excl. 2021 pay award)
- Digital Transformation - £99,523 (excl. 2021 pay award)
- Empty Property Officer - £38,260 (excl. 2021 pay award).

As stated in the report, the above salary costs could be offset as follows:

- **Regeneration and Policy** – The first 2 years of this cost (2022/23 and 2023/24) can be met by a combination of savings on existing vacancies within the approved Regeneration and Policy establishment and a transfer from the Revenue Grants Unapplied Reserve. In year 3 (2024/25) there will be a net additional cost of £35,310 rising to £52,475 in year 4 (2025/26);
- **Digital Transformation** – The salary costs have previously been financed by transfers from the Customer Innovation Reserve. Elsewhere on the agenda for this meeting is a report on revenue budget monitoring, which recommends a transfer of £200,000 to the Customer Innovation Reserve in the current financial year (2021/22). Subject to Members' approval, this will fund the costs of the digital transformation team for the two year contract extension;

- **Empty Homes Officer** – Funded by New Homes Bonus in 2022/23. In years 2 and 3 (2023/24 and 2024/25) the cost is expected to be funded by Derbyshire Dales District Council's proportion of the empty homes premium and any additional New Homes Bonus payments received. There is a risk that, in achieving the priority of reducing empty homes, the amount received in empty homes premium is reduced, and a further risk that New Homes Bonus is abolished, meaning that these sources of funding are no longer sufficient to cover the salary costs of the empty homes officer. This risk has been mitigated by proposing a 3 year fixed term contract.

Should members approve the changes to the organisation structure recommended in this report, the costs will be included in the draft budget for 2022/23 and an updated Medium Term Financial Plan, both of which will be presented to Council at the budget setting meeting on 3 March 2022.

The financial risks of the report's recommendations are assessed as Medium.

## **5. OTHER CONSIDERATIONS**

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

A net increase in Council staff has a climate change impact through associated energy demands of a new posts – heating and lighting of the office space for example – however, this is considered minimal. No additional office capacity is required to accommodate the proposed new post holders. There will be a requirement for the new post holders to travel in the course of their work, however this should not be significant due to the nature of the roles, and the Council has some mitigation in place - meetings are routinely held virtually and the Travel and Subsistence Policy encourages environmentally friendly means of travel including using public transport where possible.

A net increase in Council staff as recommended will enable the effective delivery of corporate projects and priorities including climate change.

The climate change impacts of creating the new post of 'Empty Homes Officer' are dealt with separately in the relevant report.

## **6. CONTACT INFORMATION**

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## **7. BACKGROUND PAPERS**

None

Council

27 January 2022

Report of Director of Resources

## **APPOINTMENT OF EXTERNAL AUDITOR**

### **PURPOSE OF REPORT**

This report seeks Members' approval to opt into the appointing person arrangements for the appointment of the Authority's external auditor for a period that covers the audits of the statutory accounts for the five consecutive financial years commencing 1 April 2023.

### **RECOMMENDATION**

1. That the Council becomes an opted-in Authority to the national procurement exercise, conducted by Public Sector Audit Appointments Limited, for the appointment of the Authority's external auditor for a period that covers the audits of the statutory accounts for the five consecutive financial years commencing 1 April 2023.
2. That a budget pressure of £10,000 be included in the Medium Term Financial Plan from 2023/24 onwards to reflect the forecast increase in audit fees and the additional work under this new contract.

### **WARDS AFFECTED**

None

### **STRATEGIC LINK**

None

## **1 BACKGROUND**

- 1.1 Under the Local Government Audit and Accountability Act 2014 the Authority is required to appoint an auditor to audit its accounts each financial year.
- 1.2 The Local Audit (Appointing Person) Regulations 2015 state that the decision of a principal authority to opt into the appointing person arrangement may only be made by the members of the authority meeting as a whole i.e. the decision has to be made by full Council and cannot be delegated to a committee or officer.
- 1.3 The Council's current auditor appointment (with Mazars LLP) covers the period up to and including the audit of the 2022/23 accounts. The appointment was made by the Authority opting into the 'appointing person' national auditor appointment arrangements established by Public Sector

Audit Appointments Limited (PSAA).

- 1.4 The Local Audit and Accountability Act 2014 requires the Authority to have an auditor appointment in place by 31 December of the year preceding the start of the contract i.e. by 31 December 2022. As the procurement process can be lengthy, decisions relating to the procurement need to be made now
- 1.5 PSAA has invited authorities to opt in for an appointing period of five consecutive financial years commencing 1 April 2023. Based on the level of opt-ins it will enter into contracts with appropriately qualified audit firms and appoint a suitable firm to be the Authority's auditor. The closing date to give notice to PSAA of the authority's acceptance of their invitation is Friday 11 March 2022.

## **2 REPORT**

- 2.1 As explained above, it is necessary to determine the approach to the appointment of an external auditor for the audits of the Council's statutory accounts for the financial years commencing 1 April 2023.
- 2.2 The appointed external auditor will undertake the statutory audit of accounts and value for money assessment for the council in each financial year, in accordance with all relevant codes of practice and guidance. The appointed auditor is also responsible for investigating questions raised by electors and has powers and responsibilities in relation to Public Interest Reports and statutory recommendations.
- 2.3 The auditor must act independently of the council and the main purpose of the procurement legislation is to ensure that the appointed auditor is sufficiently qualified and independent.
- 2.4 The auditor must be registered to undertake local audits by the Financial Reporting Council (FRC) and employ authorised Key Audit Partners to oversee the work. There is currently a shortage of registered firms and Key Audit Partners.
- 2.5 The scope of a local audit is fixed. It is determined by the Code of Audit Practice (published by the National Audit Office), the format of the financial statements (specified by the Chartered Institute of Public Finance and Accountancy) and the application of auditing standards is currently regulated by the FRC. These factors apply to all local audits. Councils therefore have very limited influence over the nature of the audit services they are procuring, the nature and quality of which are determined or overseen by third parties.
- 2.6 PSAA is the body appointed by the Secretary of State under the provisions of the Local Government Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. PSAA let five-year audit services contracts in 2017 for the first appointing period, covering audits of the accounts from 2018/19 to 2022/23. The Council opted in to that process and it worked well.
- 2.7 PSAA is now undertaking the work needed to invite eligible bodies to opt in for the next appointing period, from the 2023/24 audit onwards, and to

complete a procurement for audit services. PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members.

2.8 The advantages of opting in to the PSAA arrangements are:

- A national procurement exercise is most likely to reduce costs for the sector and for individual authorities compared to lots of smaller local procurements;
- A national procurement exercise is more likely to result in the appointment of suitable qualified and accredited auditors who are currently in short supply (and any local procurement exercise is likely to be in competition with the national exercise);
- The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities;
- PSAA will manage the procurement process to ensure both quality and price criteria are satisfied (relieving Council officers of a significant piece of work when staffing resources are already under pressure);
- PSAA will undertake ongoing contract and performance management of the contracts, including any conflicts at individual authority level, once the contracts have been let (reducing officer time and ensuring consistency across the sector);
- The national offer is more likely to ensure consistency of audit approach across local authorities.
- If it does not use the national appointment arrangements, the Authority will need to establish its own Auditor Panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract, which would take up significant officer and member resources.

2.9 The Local Government Association (LGA) favours the PSAA approach. It has stated that “The way external audit has operated over the last couple of years has been extremely disappointing. This has led to many audits being delayed and dozens of audits remain uncompleted from 2019/20. Dealing with these issues is not a quick or easy fix. Nevertheless, the LGA’s view is that the national framework remains the best option for councils. There are many reasons for favouring the national arrangements and we think those reasons have become more compelling since 2016/17 when councils were last asked to make this choice. We believe that in a suppliers’ market it is imperative that councils act together to have the best chance of influencing the market and for nationally coordinated efforts to improve the supply side of the market to be effective.”

2.10 It is therefore recommended that the Authority becomes an opted-in Authority to the national procurement exercise, conducted by Public Sector Audit Appointments Limited, for the appointment of the Authority’s external auditor for the five consecutive financial years commencing 1 April 2023.

2.11 Should Members of the committee approve the recommendation to opt into the national auditor appointment scheme is made, the Director of Resources will submit a formal notice of acceptance to PSAA’s invitation by



the close of the opt-in period on 11 March 2022.

- 2.12 PSAA will subsequently commence the formal procurement process for all opted-in authorities. It expects to award contracts in August 2022 and will then consult with authorities on the appointment of auditors so that it can make appointments by the statutory deadline of 31 December 2022.

### **3 RISK ASSESSMENT**

#### Legal

- 3.1 The Local Audit and Accountability Act 2014 set out the procedure for the appointment of auditors and Public Sector Audit Appointments Limited has been specified as an appointing person to procure and appoint auditors through a national scheme.
- 3.2 Section 7 of the Local Audit and Accountability Act 2014 requires a relevant Authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.
- 3.3 Section 8 governs the procedure for appointment including that the Authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Schedule 3 of the Local Audit and Accountability Act 2014 excludes the power of the Council to delegate this function, so the decision must be taken by Council.
- 3.4 Section 12 makes provision for the failure to appoint a local auditor. The Authority must immediately inform the Secretary of State, who may direct the Authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the Authority.
- 3.5 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a sector-led body to become the appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.
- 3.6 The legal risk of implementing the recommendations is assessed as low.

#### Financial

- 3.7 The 2021/22 budget includes £35,397 for external audit fees (excluding grant work such as the audit of the housing benefit claim).
- 3.8 Members of the Committee will recall that there have been significant increases in fees over recent years due to the increased complexity of the work and increases in the scope of audit, requiring more audit work. The Redmond Review on 'Local Audit and the Transparency of Local Authority Financial Reporting' (published in 2020) gave a clear message that the level of audit fees currently being charged is no longer sustainable for firms to deliver a compliant audit to the required quality standard. The Redmond Report concludes that evidence suggests fees are at least 25% lower than is

required.

3.9 Therefore, officers expect that fees will increase under these new arrangements. Any additional costs of the contract will be reported to Members as part of the outcome of the procurement exercise.

3.10 It is proposed that a budget pressure of £10,000 will be included in the Medium Term Financial Plan from 2023/24 onwards to reflect the forecast increase in audit fees and the additional work associated with preparing the statement of accounts under this contract. This will be included in the updated MTFP that will be presented to Council for approval on 3 March 2022. The financial risk of implementing the recommendations of this report is assessed as “low”.

## Corporate

3.11 The principal risks are that the Authority fails to appoint an auditor in accordance with the statutory requirements or does not achieve value for money in the appointment process. These risks are mitigated by opting into the sector-led approach through PSAA.

## 4 OTHER CONSIDERATIONS

4.1 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.

4.2 Climate change: PSAA has described how it requires its contracted audit firms to demonstrate how they will minimise environmental impact / address climate change. A copy is set out in Appendix 1. During the pandemic external audits have been carried out remotely, which has reduced the need for external auditors to travel to Matlock Town Hall (except for Committee meetings). In future, it is expected that on-site working will increase a little as it would be beneficial to working relationships to have some face to face meetings. However, it is not expected that this will return to pre-pandemic levels.

## 5 CONTACT INFORMATION

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## 6 BACKGROUND PAPERS

None

## 7 ATTACHMENTS

Appendix 1: How PSAA requires its contracted audit firms to demonstrate how they will minimise environmental impact / address climate change.

Appendix 1: How PSAA requires its contracted audit firms to demonstrate how they will minimise environmental impact / address climate change

**Does PSAA require its contracted audit firms to demonstrate how they will minimise environmental impact/address climate change issues?**

PSAA's audit services contracts covering the audits from 2018/19 to 2022/23 include a clause in relation to 'Co-operation with PSAA on environmental issues'. This states that "Throughout the Contract the Supplier shall co-operate with PSAA in seeking reasonable and practical ways to improve the sustainability of the delivery of the Services" so there is a requirement for our contracted firms to consider environmental issues. We have yet to finalise the contract terms to be used in our 2022 procurement, however we do intend to retain this contractual provision.

In addition, in its 2022 procurement PSAA will determine 5% of the bidders' tender evaluation score by the additional social value that they will deliver from the contract. In direct response to our June consultation on the draft scheme prospectus we have broadened the scope of social value that a bidder could provide in its response. The scope now includes sustainability and environmental concerns, and equality, diversity and inclusion, alongside apprenticeships and long term development opportunities. We intend to ask bidders to describe how their delivery of social value will be measured and evidenced to PSAA so that it will form part of our contract management arrangements.

When PSAA develops its auditor appointment proposals following contract award to successful firms, one of the factors that we consider is the location of the audit in relation to the locations of the contracted firms' local audit resources. There is the possibility that one of the outcomes from the remote working enforced by C19 is that auditors will travel less to clients, taking advantage of the significant improvements in video conferencing, but it will be some time before that can be assessed with any clarity.

Source: <https://www.psaa.co.uk/faqs/does-psaa-require-its-contracted-audit-firms-to-demonstrate-how-they-will-minimise-environmental-impact-address-climate-change-issues/>

Council

27 January 2022

Report of Director of Resources

## **LOCAL COUNCIL TAX SUPPORT SCHEME FOR 2022/23**

### **PURPOSE OF REPORT**

This report provides information relating to proposed changes to, and seeks approval to adopt, the Local Council Tax Reduction Scheme for the financial year 2022/23.

### **RECOMMENDATION**

1. That under section 13A (1)(a) of the Local Government Finance Act 1992, the Council approves and adopts the scheme detailed in this report as the Local Council Tax Reduction Scheme for 2022/23.
2. That £18,000 be set as the budgeted amount for all Discretionary Hardship Fund applications under Schedule 11 of the scheme for 2022/23 (to be reviewed by a further report to Council during the year if it appears that this amount may be insufficient).

### **WARDS AFFECTED**

All wards

### **STRATEGIC LINK**

The adoption of a local Council Tax Reduction Scheme is a statutory requirement but links to the Council's priorities of "people" and "prosperity" as it provides financial support to pensioners and working age people on low incomes. This benefits the recipients directly but also benefits the local economy if spent in the area.

### **1 BACKGROUND**

- 1.1 The government abolished Council Tax Benefit from April 2013 and replaced it with Local Council Tax Reduction Schemes, to be determined by each Council annually.
- 1.2 The scheme approved and adopted for 2013/14 (and retained for all subsequent years) was based on the government's default scheme as set down in The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (S.I. 2012 No 2886, as amended) which replicated the provisions for Council Tax Benefit but subject to the following amendments:
  - (a) The amount of any reduction for working age claimants is reduced by 8.5;
  - (b) The period for extended payments is increased from four to eight weeks to assist claimants who move back into work;

- (c) The full amount of income from war widow pensions etc. is disregarded in the calculation of income (instead of standard £10 disregard);
  - (d) Provision is made for additional awards in cases of hardship, with the budget available in 2021/22 being £18,000.
- 1.3 It should be noted that the local scheme originally adopted from 1<sup>st</sup> April 2013 and retained for subsequent years, continues to be well received and unlike similar schemes elsewhere has neither been subject to Judicial Review or criticism from the Valuation Tribunal Service (who hear appeals on council tax support calculations). It should also be noted that the Council has not been required to attend a VOA Appeal Tribunal to defend decision making on individual claims under the terms of its scheme. This has not been the case for some neighbouring councils.
- 1.4 The Council has previously consulted widely on this scheme that protected working age claimants from significant reductions with the remaining savings achieved from other changes to Council Tax discounts on empty properties and second homes.

## 2 REPORT

- 2.1 The local Council Tax Reduction Scheme must be reviewed annually and any changes made approved no later than 31<sup>st</sup> January in the financial year preceding that for which the changes are to have effect. **No significant technical changes are proposed to the scheme to be adopted for 2022/23 and so no new consultation with the public or with precepting authorities has been necessary.** The Benefits Manager is required to monitor expenditure in-year and is satisfied that based on projected caseload and relevant changes occurring that the costs of the 2022/23 scheme falls within budget.
- 2.2 A regular in-year review continues monitoring the impact of Full Service Universal Credit on local resident's entitlements and their ability to budget for the payment of council tax. These findings will inform our decisions on changes to our future year's scheme. A small number of local authorities have replaced their income related means tested scheme with a 'banded scheme'; but no such change is proposed for the coming year.
- 2.3 The government makes annual changes to the prescribed elements of the scheme for pensioners by uprating the allowances, premiums and non-dependent deductions used in the calculation of a reduction. The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022 No.25; were published on 13<sup>th</sup> January 2022. The regulations do not contain significant changes and are largely the usual annual uprating figures.
- 2.4 Working age equivalent figures are also subject to annual uprating and so will increase by a small percentage during the coming financial year. Any changes to the allowances, premiums and non-dependent deductions for working age claimants remain at the discretion of the local authority but the practice has been to update these amounts in advance of next year's scheme by reference to the annual uprating circular published by the Department for Work & Pensions for housing benefit purposes. The DWP published Circular HB A11/2021 in December 2021

and this does not contain any significant changes to the amounts used during 2021/22.

- 2.5 The amounts in the DWP circular are replicated in the 'Prescribed Requirements' regulations for pensioners. The circular also contains the working age uprating's to be used for housing benefit calculations. These changes are reflected in the Council's scheme for 2022/23.
- 2.6 As part of the Government's ongoing Welfare Reform, some technical changes to the national Housing Benefit Scheme have occurred over successive years. The decision has previously been made not to mirror these changes within the Local Council Tax Reduction Scheme for working age households during 2021/22 as the impacts concerned lead to individual families being impacted on disproportionately. The overall impact of this decision on the cost to the Council's scheme is minimal, but will again be subject to an ongoing review in planning subsequent years' schemes.
- 2.7 It is proposed, in the interests of clarity and equity, that all allowances, premiums and non-dependent deductions and any other associated amounts in the scheme be uprated for both pensioner and working age claimants in line with the 'Prescribed Requirements' regulations and the DWP Uprating Circular mentioned in paragraphs 2.3 and 2.4. **No other changes to the local scheme for 2022/23 are proposed.** These documents provide changes to the financial amounts used in the means test adopted to calculate entitlements and are not significant and will be incorporated into the Council's scheme for 2022/23.
- 2.8 Alongside the 'main' Local Council Tax Support Scheme, the Council also has a Discretionary Hardship Fund (see paragraph 2.9 below) to provide further financial support to CTS applicants facing undue financial hardship. This is intended to help those low income households that have council tax to pay after a main CTS reduction, giving them extra help to pay that balance. It is also used to pay the 8.5% remaining council tax liability (after the CTS has been deducted from the council tax bill) for working age claimants who have other debts. Referrals are taken from Citizens Advice Bureau locally and from other similar partner agencies, who all insist who important this is in supporting low income households locally.
- 2.9 When setting the budget for 2021/22 a budget of £18,000 was approved for the Discretionary Hardship Fund.
- 2.10 While the Council does not have limitless financial resources, it is suggested that the Discretionary Hardship Fund budget be retained at £18,000 for 2022/23. Should the amount appear to be insufficient during 2022/23, the Director of Resources will present a further report to Council to explain the reasons and to request additional funding.
- 2.11 One set of Local Scheme Regulations are prepared comprising sections dealing with applications from pensioner claimants (formerly the prescribed regulations) and a separate section for working age customers. Due to their combined size (in excess of 100 pages), the complete proposed local Council Tax Reduction Scheme for 2022/23 is intended as a background paper to this report and will be is available to Members on request. The final adopted scheme for 2022/23 will be published in full on the Council's website by 31st March 2022.

- 2.12 An Equality Impact Assessment (EIA) is in place for the LCTS scheme. A copy is available on the Council's website [here](#). The changes proposed in this report are not significant so do not necessitate an immediate refresh of the EIA.
- 2.13 It should also be noted that Derbyshire District Citizens Advice Bureau and Age UK continue to give positive feedback to the Council's Benefit Manager for its fairness of treatment of low-income households under the provisions of the Local Scheme compared to neighbouring schemes within the east midlands area.

### **3 RISK ASSESSMENT**

#### **3.1 Legal**

The adoption of the Council Tax Reduction Scheme accords with the statutory provisions. The legal risk in that regard is low.

All decisions taken by the Council, all services provided or enabled by the Council and all personnel functions of the Council are required to take account of the Equality Duty. Failure to comply with the Equality Duty would render the Council open to legal challenge. As there are no significant changes to the scheme proposed for 2022/23, a full consultation exercise was not deemed necessary.

#### **3.2 Financial**

Expenditure on Council Tax Support (CTS) has increased during the current year, reflecting the fact that local families are financially worse off as a result of social security benefit changes and the adverse impact financially for local people unable to work due to the ongoing adverse impacts caused by COVID-19 on local employment patterns. The council tax charge itself has been subject to general annual increases prompted by the Council and local precepting authorities, which acts again to increase the cost of the scheme.

Caseload itself (the numbers of households claiming CTS at any one time) is subject to unpredictable variations prompted by the numbers of people contracting the virus and the wider impact on the local economy. It is anticipated that the successful vaccination program will continue to deal effectively with the impact of any new variants, allowing residents to return to normal working patterns, thus reducing the cost of the local scheme in the coming year and beyond.

All of the above has a direct impact on collection rates and the council tax base. Should there be future significant increases in claims for LCTS, over and above that already reflected in the council tax base, the financial risk may increase.

To reassure all, the cost of the scheme is routinely monitored by the Council's Benefits Manager to identify potential budgetary risks. No significant changes are proposed for the 2022/23 scheme; however were risks likely to occur in future years, changes could be expected. Any significant changes to LCTS for future years would require external consultation in order to meet Government guidelines for implementation of such changes.

As explained above, certain factors have increased the cost of the Local Scheme. With the exception of the level of its own council tax charge, these economic and

social factors are generally outside the Council's control or direct influence. While careful monitoring does take place, it is impossible to mitigate fully against the risk of increased claims. The financial risk is therefore assessed as "high".

#### **4 OTHER CONSIDERATIONS**

4.1 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.

4.2 Climate change: No detailed climate change impact assessment required in relation to the recommendations of this report.

#### **5 CONTACT INFORMATION**

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#### **6 BACKGROUND PAPERS**

Council Tax Reduction Scheme 2022/23

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022; SI 2022 No.25 (published 13<sup>th</sup> January 2022).

DWP HB A11/2021 (Revised) DWP 'Housing Benefit uprating for the financial year ending March 2023'.

#### **7 ATTACHMENTS**

None



Council  
27 January 2022

Report of Director of Resources

## **CAPITAL PROGRAMME MONITORING 2021/22 & CAPITAL PROGRAMME 2022/23 TO 2024/25**

### **PURPOSE OF REPORT**

The purpose of this report is to:-

- Present the current financial position of spend against the 2021/22 Capital Programme as at the end of November 2021; and
- Seek approval for an updated capital programme for 2021/22 to 2026/27 and associated financing.

### **RECOMMENDATION**

1. That the Capital Programme spend to the end of November 2021 be noted;
2. That re-phasing of existing projects for completion over the next 3 years and the removal of projects not proceeding be approved;
3. That 4 new projects totaling £1.963m (£247,000 in 2021/22 and £1.621m in 2022/23) be approved for inclusion in the Capital Programme;
4. That financing of the Capital Programme for 2021/22 to 2024/25 from the sources summarised at paragraph 2.7 of the report also be approved.

### **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 Proposed Capital Programme will assist in delivering Council services that are important to residents' well-being and the Dales economy.

#### **1 BACKGROUND**

- 1.1 The Council approved a Revised Capital Programme on 8<sup>th</sup> July 2021 which shows a Capital Budget of £10,444,275. Since July further specific reports to committees approved the following changes as outlined below:

Table 1: Approved Revised Capital Programme 2021/22

Position as at July 21 Council	£
21/22 Capital Budget	10,444,275
<u>Additions</u>	
Wirkworth Steeple Arch Landscaping & Footpath	70,000
Height Barriers Car parks	10,000
Knabbs Lane Contamination	25,000
	<b>10,549,275</b>
<u>Recent additions (post budget monitoring</u>	
Hurst Farm Social Club - Phase 2)	251,000
<u>Deletions</u>	
Uninterruptable power supply (Now in Revenue Budget	- 20,000
21/22 Approved Capital Budget	<b>10,780,275</b>

## 2 REPORT

### Capital Expenditure as at November 2021

2.1 As at 25th November 2021 expenditure including commitments against budget was £3,412,928 (32.5% of the annual budget). As shown at Appendix A, the forecast out-turn expenditure against budget is £4,432,507 (46.7% of the annual budget). The end column provides the likely date for completion. In summary, just under half of the capital programme is forecast to be completed during the current financial year.

2.2 In light of the forecast out-turn position and slippage in the Capital Programme, projects have been re-phased where necessary into 2022/23 and beyond. A fundamental review of projects has also highlighted some projects which have now been concluded or are no longer feasible, so these have been removed from the programme.

2.3 In summary, movements in the capital programme are as outlined overleaf.

**Table 2: Proposed changes to the Capital Programme 2021/22 to 2024/25**

	£	2021/22 £	2022/23 £	2023/24 £	2024/25 £
<b>Approved Capital Programme</b>		10,780,275	1,354,162	377,000	-
<b>Projects carried forward into 2022/23</b>		- 3,243,200	3,243,200		
Social Housing Grant - Wirksworth	280,000				
Social Housing Grant - Tideswell	412,500				
Retained House - Station House Matlock	104,000				
Hulland Ward Recreation Ground	22,000				
Climate Change: Energy Efficiency Measures (*revised project to be submitted with part grant funding)	65,000				
Climate Change: Town Hall Biomass Boiler (* as above)	150,000				
Climate Change: Electrification of Heater (*as above)	55,000				
Potential Purchase of land at Longcliffe	250,000				
Vehicles	462,670				
Bakewell ABC Various	40,000				
Network switch replacement	30,000				
Projects in progress (revised phasing of budget)	1,372,030				
<b>Projects removed from Capital Programme</b>		- 2,056,230	- 6,692		
Carsington Fund Grants (still available but likely to be Revenue Grant)	26,760				
Social Housing Grant - Darley Dale	157,500				
Social Housing Grant - Luke Lane/Mercaston	135,000				
Social Housing Grant - Matlock YMCA with NCHA	500,000				
Social Housing Grant - Bradwell	40,000				
Energy Efficiency GHG: LAD Phase 1B (funding bid unsuccessful)	880,000				
Other projects concluded no longer required	316,970				
<b>Amendments to 2021/22 budget</b>		- 131,115			
<b>Projects carried forward to 2023/24</b>					
Social Housing Grant - Housing Initiatives Cromford/Matlock Bath		- 100,000		100,000	
<b>Projects carried forward to 2024/25</b>					
Social Housing Grant - Wirksworth Community Land Trust		- 350,000			350,000
Social Housing Grant - Bakewell Almshouse Grant		- 35,000			35,000
<b>Amendments to 2022/23 budget (moved to 2023/2024)</b>					
Production Server (ESX) replacement			- 30,000	30,000	
VDI Server Replacement			- 30,000	30,000	
		4,864,730	4,530,670	537,000	385,000

## New bids for the Capital Programme

2.4 Each year there is the opportunity to consider new projects for inclusion within the Capital Programme. Business cases are submitted to the Capital Programme Working Group and collectively scored against a scoring matrix linked to the Council's objectives. These are then considered by the Corporate Leadership Team. The successful bids for 2021/22 and 2022/23 were scored as follows:-

Table 3 – Scoring for new Project Bids

Project Name	Budget Required £	Score (out of 100)	Funding Options
Affordable Housing provided by Housing Associations and DDDC	1,868,000	93	S106 contributions
Matlock Hall Leys Park Footbridge Refurbishment	45,000	60	Capital Receipts
Matlock Bath Lovers Walk Shelter Rebuild	30,000	58	Capital Receipts
Installation of CCTV at 6 District Council Toilet Blocks	20,000	53	Capital Receipts
<b>PROPOSED COSTS</b>	<b>1,963,000</b>		

2.5 Projects have been recommended for inclusion in the capital programme on the following basis:-

Table 4 – Business Cases

<p>Affordable Housing projects.</p>	<p>This business case consists of projects:-</p> <ul style="list-style-type: none"> <li>• Contribution to purchase 4x1 bedroom flats to house homeless £160,000 and reduce B&amp;B costs Required 2021/22</li> <li>• Long lease for 125 years 5 homes at Monyash for £1 each plus repairs by NCHA totalling £275,000. Requirement in 2021/22 £25,000; remainder £250,000 in 2022/23</li> <li>• Purchase of 7 homes plus work to gardens, sheds, house numbers etc. £42,000. Required 2021/22</li> <li>• Renovation to bequeathed property £60,000. £20,000 required in 2021/22. £40,000 in 2022/23</li> <li>• Purchase of 8 homes from a house-builder for £841,000 (4 to be for rent, 4 for shared ownership) Will obtain a capital receipt for shared ownership element.</li> <li>• Round 2 Empty Homes. 2 purchases (including renovation) £320,000.</li> <li>• Properties purchased for £1 each at Derby Rd Ashbourne £40,000, includes solar panels, turf, sheds etc.</li> <li>• Pre-development costs for District Housing scheme sites at Eyam/Wirksworth/Matlock £60,000.</li> <li>• Harrison Almshouse Trust phase 2 £70,000.</li> </ul> <p>Projects proposed on the basis that they achieve key objectives and may be funded from S106 contributions.</p>
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Matlock Hall Leys Park Footbridge Refurbishment	The subject asset is an important and well used public thoroughfare connecting Hall Leys Park to Derwent Avenue / Dale Road. It is highly valued by the local community. Failure to undertake this work risks its permanent closure which would inhibit access to the Park generally but reduce access for people with disabilities. Also mentioned that closure has impacted upon businesses on Dale Road.
Matlock Bath Lovers Walk Shelter Rebuild	The project comprises the complete reconstruction of a shelter using appropriate materials commensurate with its status as an important historical structure in a Conservation Area adjacent to a Site of Special Scientific Interest (SSSI).
Installation of CCTV at 6 District Council Toilet Blocks	If implemented should reduce instances of vandalism. If closed due to repairs reflects badly upon the Council. No formal complaints but comments on social media in the past. Compliance with of DPA and IPCO guidance will need to be considered. The Team involved has put in place CCTV previously.

2.6 If the proposals are accepted the capital programme budget will be as shown in Table 5 below.

Table 5 Revised Capital Programme (including Bids)

	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Re-phased Capital Programme	4,864,730	4,530,670	537,000	385,000
New bids	247,000	1,716,000	0	0
Revised Capital Programme (inc bids)	5,111,730	6,246,667	537,000	385,000

### Revised Capital Programme by Priority

2.7 The Revised Capital Programme is shown at **Appendix B**. The programme shown by priority including new bids is summarised overleaf:-

Priority	2021/22	2022/23	2023/24	2024/25	Total
	£	£	£	£	£
Prosperity	2,043,655	4,187,350	100,000	385,000	6,716,005
Place	2,508,291	1,058,573	0	0	3,566,864
People	9,000	2,000	0	0	11,000
Other	550,784	998,744	437,000	0	1,986,528
<b>Total</b>	<b>5,111,730</b>	<b>6,246,667</b>	<b>537,000</b>	<b>385,000</b>	<b>12,280,397</b>

## Financing Arrangements for the Capital Programme

2.8 Financing of the Capital Programme is as shown in table 6 below:-

Table 6 – Financing of the Capital Programme.

	2021/22	2022/23	2023/24	2024/25	Totals
	£	£	£	£	£
Proposed Capital Programme (including New Bids)	5,111,730	6,246,667	537,000	385,000	12,280,397
Financed by:-					
Capital Receipts Reserve	1,492,609	1,052,000	55,000	-	2,599,609
Capital Programme Reserve	726,055	704,523	90,287	-	1,520,865
S106 Contributions	841,090	2,667,498	100,000	385,000	3,993,588
Grants	1,753,447	491,470	-	-	2,244,917
Economic Development Reserve	10,000	-	-	-	10,000
IT Reserve	29,000	92,000	60,000	-	181,000
Invest to Save Reserve	-	562,510	-	-	562,510
Waste Vehicle Reserve	144,529				144,529
Vehicle Reserve	115,000	676,666	231,713		1,023,379
Borrowing	-	-	-	-	-
	<b>5,111,730</b>	<b>6,246,667</b>	<b>537,000</b>	<b>385,000</b>	<b>12,280,397</b>

2.9 **Appendix C** shows the capital expenditure and capital contributions for each year of the programme to 2024/25. Whilst the balances for each capital related reserve are forecast, there are issues which may result in further changes:-

- 1) Vehicle Renewals Reserve: A further review is being undertaken of the fleet requirements which will also include climate change considerations. Presently £150,000 per annum is being contributed from the General Fund into the Vehicle Renewals Reserve. The fleet requirements and the adequacy of the contributions into the Reserve will be considered as part the March 2022 Council report.

- 2) Capital Receipts Reserve & Capital Programme Reserve: The Council is seeking external funding to carry out projects to improve the energy efficiency of public buildings. Although a more advanced project is envisaged than those in the capital programme (projects 620,621,622 & 623) it is hoped that, if successful and grant is awarded, this will reduce the amount currently required to be withdrawn from both of these reserves.
- 3) In-year Section 106 contributions: These are not included in the Capital Programme on the basis that it is not always clear when and if they will be received. It would not be prudent to finance projects from such contributions without such certainty. The Section 106 contributions balance may also increase.
- 4) Economic Development Reserve: The cost of the Bakewell Road Matlock development is currently being evaluated and may impact upon reserve balances, including the Economic Development Reserve, if the estimated costs are revised. A further report will be presented to Members updating on this project in February / March 2022.
- 5) Other reserves: Further work is underway to assess the adequacy of all reserves in light of future spend estimates. The outcome of the review will be reported to Council in March as part of the budget report. The waste vehicles have been replaced during 2021/22. The replacement of these vehicles is expected outside the current capital programme cycle nonetheless planning for their replacement and financing the purchases will be considered.

### **3 RISK ASSESSMENT**

#### 3.1 Legal

There are no legal comments for this report

#### 3.2 Financial

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

- Forecast capital receipts may not be achieved – Medium Risk;
- Overspending on capital schemes with no available finance to meet the overspending – Medium Risk;
- Budgets for individual projects may be insufficient when tenders are received – High Risk;
- Insufficient funding for future projects (the Council's future requirement to finance mandatory Capital expenditure, such as Disabled Facility Grants, will need to be kept under review) – High Risk;
- Insufficient funding to deal with unforeseen capital expenditure, for example, if there are legislative changes requiring projects to deliver carbon neutral outcomes sooner – High Risk.

The overall financial risk is assessed as Medium to High.

## 4 OTHER CONSIDERATIONS

4.1 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.

4.2 The climate change impacts of each recommendation are addressed separately.

**Recommendation One** - no impacts, for information only

**Recommendation Two** – the proposal includes moving the climate change efficiency and emissions reductions projects into 2022/23. This represents a delivery delay which clearly has a climate change impact, as emissions from the main Council sites have continued through 2021/22 without any significant means of reduction (although the LED lighting replacement programme has continued). The delay has occurred as officers have been preparing a successful bid for a grant from the Public Sector Decarbonisation Fund for these works, as approved by Council on the 14th October 2021. As noted when the final grant funding offer amount has been confirmed a revised business case will be submitted to the Capital Working Group. To an extent the delay has been mitigated by the significant reduction in the amount the Council will have to contribute to the projects and the opportunity this therefore presents to use this funding for other emissions reductions projects.

**Recommendation Three** – if approved, operational decisions on the four new projects will be taken by the relevant Officers. Whilst all of the detail is not available at this stage it can be noted that:

Affordable housing – the programmes include works to:

- refurbish homes which will improve energy efficiency and reduce emissions
- renovate empty properties, which has the potential to support a decrease in emissions from homes in the district that neighbour empty properties through a reduction in energy required for heating. Reusing existing housing reduces the emissions inherent in the building of new homes and the associated necessary infrastructure. It also ensures the longevity of the existing housing stock, protecting the embodied carbon and decreasing the likelihood of properties deteriorating to the point at which demolition and replacement is needed.
- purchase newly built properties, the climate change impacts of these developments will have been assessed through the development control process. In Ashbourne (Derby Road) specifically it is noted that part of the funding will be used to install solar panels, reducing energy demand in the homes.
- improve the outside space at the Harrison Almshouses – this may include measures such as outside clothes drying space, provision for 'grow your own' and increased biodiversity (all subject to discussion and agreement with the trustees and tenants).

Footbridge refurbishment in Matlock – ensuring the long term sustainability of the bridge supports active travel, joining up areas of the town and enabling journeys to be completed on foot.



Matlock Bath shelter rebuild – the original materials have been salvaged and will be used where possible in the rebuild.

**Recommendation Four** – no perceived climate change impact of this decision.

## **5 CONTACT INFORMATION**

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## **6 BACKGROUND PAPERS**

Business cases are available for each new scheme.

## **7 ATTACHMENTS**

Appendix A: Capital Budget monitoring for 2021/22 to November 2021.

Appendix B: Capital Programme Revised 2021/22 plus Original Budget 2022/23 to 2024/25

Appendix C: Movement in Reserves relating to the Capital Programme.

**Derbyshire Dales District Council**  
**Capital Budget Monitoring Report for 2021-22 to 25th November**

Service	Project Code	Project Description	Year to date Actual £	Committed Purchases £	Actual + Commitments £	Revised Budget for Year £	Variance to Date £	Forecast Outturn £	Forecast Variance At Year End £	Forecast Completion Date DD/MM/YYYY
Community	386	Wirksworth Steeple Arch Landscaping and Footpath	112,751	0	112,751	129,538	-16,787	129,538	0	31/03/2022
Community	562	DDCVS	30,000	0	30,000	30,000	0	30,000	0	completed
Regulatory	270	Disabled Facilities Grant	271,884	0	271,884	666,531	-394,646	450,000	-216,531	on-going
Community	126	Car Parks - Planned Improvements	0	0	0	63,814	-63,814	35,000	-28,814	31/03/2022
Community	324	Bakewell - Riverbank Erosion	0	0	0	13,749	-13,749	0	-13,749	31/10/2022
Regulatory	370	Capital Salaries	0	0	0	50,000	-50,000	50,000	0	31/03/2022
Community	495	Public Conveniences - Condition surveys	0	0	0	7,000	-7,000	5,000	-2,000	31/12/2021
Regulatory	564	Condition surveys - Parks & Pavillions	0	0	0	48,826	-48,826	14,000	-34,826	30/09/2022
Regeneratio	572	Blenheim Road - Ashbourne	166,252	0	166,252	212,410	-46,158	212,410	0	31/03/2022
Community	586	Condition Surveys - Ashbourne Leisure Centre	0	0	0	144,521	-144,521	0	-144,521	completed
Regulatory	595	Darley Down Station Roof repairs	0	0	0	22,590	-22,590	2,600	-19,990	31/03/2022
Community	596	Hall Leys Park Ranger Station	0	0	0	1,157	-1,157	0	-1,157	completed
Community	601	Monsal Head Car Park Improvements Replace Air Handling Unit and Building Management System at Arc Leisure	0	0	0	10,500	-10,500	7,341	-3,159	completed
Community	603	Management System at Arc Leisure	0	0	0	40,000	-40,000	0	-40,000	completed
Community	615	Ashbourne Pavillion Prjoect	270,375	0	270,375	275,373	-4,998	270,373	-5,000	30/01/2024
Regulatory	616	Hulland Ward Recreation Ground	0	0	0	22,000	-22,000	0	-22,000	30/09/2022
Regulatory	617	Ashbourne Memorial Gardens and Bandstand	0	0	0	70,000	-70,000	4,000	-66,000	30/11/2021
Regulatory	618	War Memorials	2,960	0	2,960	30,000	-27,040	20,000	-10,000	30/11/2021
Regulatory	620	Climate Change: Energy Efficiency Measures	0	0	0	65,000	-65,000	0	-65,000	31/03/2023
Regulatory	621	Climate Change: Town Hall Biomass Boiler	0	0	0	150,000	-150,000	0	-150,000	31/03/2023
Regulatory	622	Climate Change: Electrification of Heater	0	0	0	55,000	-55,000	0	-55,000	31/03/2023
Regeneratio	624	Potential Purchase of land at Longcliffe	0	0	0	250,000	-250,000	0	-250,000	31/12/2023
Regeneratio	625	Bakewell Road, Matlock Development	17,876	0	17,876	798,380	-780,504	85,000	-713,380	31/03/2023
Community	626	Surface repairs & full relining of car parks Extensive structural & roof repairs required at Hall Leys Park Clock Tower	0	0	0	21,000	-21,000	6,000	-15,000	31/03/2022
Community	627	Leys Park Clock Tower	0	0	0	40,000	-40,000	4,000	-36,000	31/05/2022
Community	628	Resurfacing of of Paths in Hall Leys Park	0	0	0	30,000	-30,000	15,000	-15,000	31/05/2022
Community	629	Redevelopment of Bakewell Rec Toilets Building	0	0	0	80,000	-80,000	0	-80,000	30/09/2022
Community	630	Ashbourne Recreation Gound Footbridge replaceme	0	0	0	40,000	-40,000	4,000	-36,000	31/05/2022
Community	631	Ashbourne Recreation Building Rationalisation	9,980	0	9,980	45,000	-35,020	20,000	-25,000	31/05/2022
Community	632	2020/21 New Property Condition Surveys	7,886	0	7,886	10,000	-2,114	10,000	0	31/03/2022
Community	633	Bakewell ABC Various	0	20,613	20,613	40,000	-19,387	0	-40,000	30/10/2022
Community	634	Dimple Palying Fields, Matlock	0	0	0	30,000	-30,000	15,000	-15,000	31/05/2022
Regulatory	636	Harrison Way, Northwood	0	45,325	45,325	40,000	5,325	45,325	5,325	31/03/2022
Community	637	Shrovetide Walk, Ashbourne	0	0	0	40,000	-40,000	5,000	-35,000	31/10/2022
Regulatory	647	Ashbourne Leisure Centre	638,420	132,875	771,295	734,006	37,289	734,006	0	31/03/2022
Housing	649	Knabbs Lane - Land Contamination	0	0	0	25,000	-25,000	25,000	0	31/03/2022
Community	650	Height Barriers - Car Parks	5,868	0	5,868	10,000	-4,132	10,000	0	28/02/2022
Community	LCF	Leisure Centre Development - Freedom	37,290	15,432	52,722	84,078	-31,356	53,000	-31,078	
Regulatory	635	Small Sewer Site Flagg	891	0	891	3,646	-2,755	891	-2,755	completed
<b>Service</b>	<b>Project</b>	<b>Project Code</b>	<b>Year to date</b>	<b>Committed</b>	<b>Actual +</b>	<b>Revised Budget</b>	<b>Variance</b>	<b>Forecast</b>	<b>Forecast Variance</b>	<b>Forecast</b>

	Code	Description	Actual £	Purchases £	Commitments £	for Year £	to Date £	Outturn £	At Year End £	Completion Date DD/MM/YYYY
Corporate	606	CRM System	6,000	0	6,000	0	6,000	6,000	6,000	31/03/2022
Resources	610	Paye.net System	6,300	0	6,300	0	6,300	10,500	10,500	31/03/2022
Resources	611	Aim Version 13 Upgrade	5,400	0	5,400	11,000	-5,600	9,000	-2,000	31/03/2022
Resources	639	Uninterruptable power supply		0	0	20,000	-20,000	0	-20,000	31/03/2022
Resources	641	Network switch replacement		0	0	30,000	-30,000	0	-30,000	31/03/2022
Resources	644	SQL 2012 Replacement	4,448	0	4,448	20,000	-15,552	20,000	0	31/03/2022
Community	123	Car Parking Meters		5,775	5,775	6,000	-225	6,000	0	31/03/2022
Community	360	Vehicles		0	0	577,666	-577,666	115,000	-462,666	
Community	609	Refuse Collection vehicles	1,049,333	0	1,049,333	1,114,811	-65,478	1,049,333	-65,478	31/10/2021
Community	638	Hall Leys Park Play area - Plant Equipment	18,268	0	18,268	20,000	-1,732	20,000	0	31/12/2021
Community	130	Carsington Fund Grants	566	0	566	26,760	-26,194	566	-26,194	
		Social Housing Grant - Housing Initiatives								
Housing	280	Cromford/Matlock Bath	0	0	0	100,000	-100,000	0	-100,000	31/03/2024
Housing	281	Social Housing Grant - Tideswell	0	0	0	412,500	-412,500	0	-412,500	31/03/2022
Housing	282	Social Housing Grant - Rural Village	45,000	0	45,000	210,000	-165,000	45,000	-165,000	31/03/2022
Housing	283	Social Housing Grant - Darley Dale	0	0	0	157,500	-157,500	0	-157,500	N/A
Housing	284	Social Housing Grant - Luke Lane/Mercaston	0	0	0	135,000	-135,000	0	-135,000	N/A
Housing	285	Social Housing Grant - Matlock YMCA with NCHA	0	0	0	500,000	-500,000	0	-500,000	N/A
Housing	286	Social Housing Grant - Wirksworth Community Land	0	0	0	350,000	-350,000	0	-350,000	31/03/2025
Housing	287	Social Housing Grant - Bakewell Almshouse Grant	0	0	0	35,000	-35,000	0	-35,000	31/03/2025
Housing	288	Social Housing Grant - Harrison Almshouse Grant	0	0	0	26,500	-26,500	233,714	207,214	31/03/2022
Housing	289	Social Housing Grant - Bradwell	0	0	0	40,000	-40,000	0	-40,000	N/A
Housing	290	Social Housing Grant - Calver	0	0	0	43,000	-43,000	43,000	0	31/03/2022
Housing	291	Social Housing Grant - Matlock Almshouse Trust	0	0	0	207,215	-207,215	0	-207,215	31/03/2022
Housing	292	Social Housing Grant - Wirksworth	0	0	0	280,000	-280,000	0	-280,000	31/03/2023
Housing	293	Retained House - Station House Matlock	0	0	0	104,000	-104,000	0	-104,000	31/03/2023
Housing	294	Hurst Farm Social Club	0	0	0	110,000	-110,000	40,000	-70,000	31/03/2023
Housing	295	Hurst Farm Estate Cladding Programme	0	0	0	51,296	-51,296	0	-51,296	completed
Housing	298	Empty Homes - Council Houses	232,458	0	232,458	300,000	-67,542	220,000	-80,000	01/06/2022
Housing	299	Energy Efficiency GHG: LAD Phase 1B	0	0	0	880,000	-880,000	0	-880,000	31/03/2022
Housing	614	Non Traditional Homes improvement schemes	252,702	0	252,702	351,910	-99,208	351,910	0	31/03/2022
			<b>3,192,908</b>	<b>220,020</b>	<b>3,412,928</b>	<b>10,549,275</b>	<b>-7,136,347</b>	<b>4,432,507</b>	<b>-6,116,768</b>	

PROPOSED CAPITAL PROGRAMME 2021/22 - 2024/25 INCLUDING NEW BIDS

APPENDIX B

Priority	Service	Project	Project (T)	Approved Revised Capital Programme 21/22	Proposed Revised budget 21/22	Original 2022/23	Original 2023/24	Original 2024/25	Total capital programme	Financed by:-
Other	Community	123	Car Parking Meters	6,000	6,000	-	-	-	6,000	Capital Programme Reserve
Other	Community	126	Car Parks - Planned Improvements	63,814	35,000	-	-	-	35,000	Capital Receipts Reserve
Other	Community	130	Carsington Fund Grants	26,760	-	-	-	-	-	n/a
Prosperity	Regulatory	270	Disabled Facilities Grants	666,531	666,531	491,470	-	-	1,158,001	Grant
Prosperity	Housing	280	Social Housing Grant - Housing Initiatives Cromford/Matlock Bath	100,000	-	-	100,000	-	100,000	S106 Contributions
Prosperity	Housing	281	Social Housing Grant - Tideswell	412,500	-	412,500	-	-	412,500	S106 Contributions
Prosperity	Housing	282	Social Housing Grant - Rural Village	210,000	45,000	165,000	-	-	210,000	S106 Contributions
Prosperity	Housing	283	Social Housing Grant - Darley Dale	157,500	-	-	-	-	-	n/a
Prosperity	Housing	284	Social Housing Grant - Luke Lane/Mercaston	135,000	-	-	-	-	-	n/a
Prosperity	Housing	285	Social Housing Grant - Matlock YMCA with NCHA	500,000	-	-	-	-	-	n/a
Prosperity	Housing	286	Social Housing Grant - Wirksworth Community Land Trust	350,000	-	-	-	350,000	350,000	S106 Contributions
Prosperity	Housing	287	Social Housing Grant - Bakewell Almshouse Grant	35,000	-	-	-	35,000	35,000	S106 Contributions
Prosperity	Housing	288	Social Housing Grant - Harrison Almshouse Grant	26,500	233,715	-	-	-	233,715	S106 Contributions
Prosperity	Housing	289	Social Housing Grant - Bradwell	40,000	-	-	-	-	-	n/a
Prosperity	Housing	290	Social Housing Grant - Calver	43,000	43,000	-	-	-	43,000	S106 Contributions
Prosperity	Housing	291	Social Housing Grant - Matlock Almshouse Trust	207,215	-	-	-	-	-	n/a
Prosperity	Housing	292	Social Housing Grant - Wirksworth	280,000	-	280,000	-	-	280,000	S106 Contributions
Prosperity	Housing	293	Retained House - Station House Matlock	104,000	-	104,000	-	-	104,000	S106 Contributions
Prosperity	Housing	294	Hurst Farm Social Club	110,000	40,000	70,000	-	-	110,000	Capital Receipts Reserve
Other	Housing	295	Hurst Farm Estate Cladding Programme	51,296	-	-	-	-	-	n/a
Prosperity	Housing	298	Empty Homes - Council Houses	300,000	220,000	80,000	-	-	300,000	S106 Contributions
Prosperity	Housing	299	Energy Efficiency GHG: LAD Phase 1B	880,000	-	-	-	-	-	n/a

Priority	Service	Project	Project (T)	Approved Revised Capital Programme December 22	Proposed Revised budget 21/22 January 22	Original 2022/23	Original 2023/24	Original 2024/25	Total capital programme	Financed by:-
Prosperity	Housing	300	Hurst Farm Social Development - Phase 2 & 3	251,000	251,000	-	-	-	251,000	Grant
Place	Community	324	Bakewell - Riverbank Erosion	13,749	-	13,749	-	-	13,749	Capital Programme Reserve
Other	Community	360	Vehicles	577,666	115,000	676,666	322,000	-	1,113,666	Vehicle Reserve £1,023,379 + Capital Programme Reserve £90,287
Other	Regulatory	370	Capital Salaries	50,000	50,000	25,000	25,000	-	100,000	Capital Receipts Reserve
Other	Community	386	Wirksworth Steeple Arch Landscaping and Footpath works	129,538	129,538	-	-	-	129,538	Capital Receipts Reserve
Other	Community	495	Public Conveniences - Condition surveys	7,000	5,000	2,000	-	-	7,000	Capital Programme Reserve
Other	Community	562	DDCVS	30,000	30,000	30,000	30,000	-	90,000	Capital Receipts Reserve
Place	Regulatory	564	Condition surveys - Parks & Pavilions	48,826	14,000	34,826	-	-	48,826	Capital Programme Reserve
Prosperity	Regeneratic	572	Blenheim Road - Ashbourne	212,410	212,410	-	-	-	212,410	Capital Programme Reserve
Other	Community	586	Condition Surveys - Ashbourne Leisure Centre	144,521	-	-	-	-	-	n/a
Other	Regulatory	595	Darley Down Station Roof repairs	22,590	2,600	-	-	-	2,600	Capital Receipts Reserve
Place	Community	596	Hall Leys Park Ranger Station	1,157	-	-	-	-	-	n/a
Other	Community	601	Monsal Head Car Park Improvements	10,500	8,000	-	-	-	8,000	Capital Receipts Reserve
Other	Community	603	Replace Air Handling Unit and Building Management System at Arc Leisure	40,000	-	-	-	-	-	n/a
Other	Resources	606	CRM System	-	-	-	-	-	-	n/a
Place	Community	609	Refuse Collection vehicles	1,114,811	1,050,000	-	-	-	1,050,000	Waste Vehicles Reserve £144,529 plus Capital Receipts Reserve £905,471
Other	Resources	610	Paye.net System	-	-	-	-	-	-	n/a
People	Resources	611	Aim Version 13 Upgrade	11,000	9,000	2,000	-	-	11,000	IT Reserve

Priority	Service	Project	Project (T)	Approved Revised Capital Programme December 22	Proposed Revised budget 21/22 January 22	Original 2022/23	Original 2023/24	Original 2024/25	Total capital programme	Financed by:-
Place	Housing	614	Non Traditional Homes improvement schemes	351,910	351,910	-	-	-	351,910	Capital Receipts Reserve £250k plus £101,910 grant
Place	Community	615	Ashbourne Pavilion Project	275,373	270,375	4,998	-	-	275,373	Capital Programme Reserve £218k plus £57,375 S106 contributions
Other	Regulatory	616	Hulland Ward Recreation Ground	22,000	-	22,000	-	-	22,000	Capital Receipts Reserve
Place	Regulatory	617	Ashbourne Memorial Gardens and Bandstand	70,000	4,000	66,000	-	-	70,000	Capital Receipts Reserve
Other	Regulatory	618	War Memorials	30,000	3,000	27,000	-	-	30,000	Capital Receipts Reserve
Place	Regulatory	620	Climate Change: Energy Efficiency Measures	65,000		65,000	-	-	65,000	Capital Programme Reserve
Place	Regulatory	621	Climate Change: Town Hall Biomass Boiler	150,000		150,000	-	-	150,000	Capital Programme Reserve
Place	Regulatory	622	Climate Change: Electrification of Heater	55,000		55,000	-	-	55,000	Capital Programme Reserve
Place	Regulatory	623	Climate Change: Roof Mounted PV	-	-	467,000	-	-	467,000	Capital Receipts Reserve
Prosperity	Regeneratic	624	Potential Purchase of land at Longcliffe	250,000	-	250,000	-	-	250,000	Capital Receipts Reserve
Prosperity	Regeneratic	625	Bakewell Road, Matlock Development	798,380	85,000	713,380	-	-	798,380	Capital Programme Reserve £235,870 + Invest to Save Reserve £562,510+ Economic Development Reserve £10k
Place	Community	626	Surface repairs & full relining of car parks	21,000	6,000	-	-	-	6,000	Capital Programme Reserve
Place	Community	627	Extensive structural & roof repairs required at Hall Leys Park Clock Tower	40,000	4,000	36,000	-	-	40,000	Capital Programme Reserve
Place	Community	628	Resurfacing of Paths in Hall Leys Park	30,000	15,000	15,000	-	-	30,000	Capital Programme Reserve

Priority	Service	Project	Project (T)	Approved Revised Capital Programme December 22	Proposed Revised budget 21/22 January 22	Original 2022/23	Original 2023/24	Original 2024/25	Total capital programme	Financed by:-
Other	Community	629	Redevelopment of Bakewell Rec Toilets Building	80,000	-	-	-	-	-	n/a
Place	Community	630	Ashbourne Recreation Ground Footbridge replacement	40,000	4,000	36,000	-	-	40,000	Capital Programme Reserve
Place	Community	631	Ashbourne Recreation Building Rationalisation	45,000	20,000	25,000	-	-	45,000	Capital Programme Reserve
Other	Community	632	2020/21 New Property Condition Surveys	10,000	10,000	-	-	-	10,000	Capital Programme Reserve
Other	Community	633	Bakewell ABC Various	40,000	-	40,000	-	-	40,000	Capital Programme Reserve
Place	Community	634	Dimple Playing Fields, Matlock	30,000	15,000	15,000	-	-	30,000	Capital Programme Reserve
Other	Regulatory	635	Small Sewer Site Flagg	3,646	3,646	-	-	-	3,646	Capital Programme Reserve
Other	Regulatory	636	Harrison Way, Northwood	40,000	40,000	-	-	-	40,000	Capital Programme Reserve
Other	Community	637	Shrovetide Walk, Ashbourne	40,000	5,000	35,000	-	-	40,000	Capital Programme Reserve
Place	Community	638	Hall Leys Park Play area - Plant Equipment	20,000	20,000	-	-	-	20,000	Capital Programme Reserve
Other	Resources	639	Uninterruptable power supply	-	-	-	-	-	-	n/a
Other	Resources	640	Production Server (ESX) replacement	-	-	-	30,000	-	30,000	IT Reserve
Other	Resources	641	Network switch replacement	30,000	-	30,000	-	-	30,000	IT Reserve
Other	Resources	642	Disaster Recovery (SAN replacement)	-	-	20,000	-	-	20,000	IT Reserve
Other	Resources	643	VDI Server Replacement	-	-	-	30,000	-	30,000	IT Reserve
Other	Resources	644	SQL 2012 Replacement	20,000	20,000	-	-	-	20,000	IT Reserve
Other	Resources	645	Server 2016 Replacement	-	-	20,000	-	-	20,000	IT Reserve
Other	Resources	646	Windows 2016 Server consultancy	-	-	20,000	-	-	20,000	IT Reserve
Place	Regulatory	647	Ashbourne Leisure Centre	734,006	734,006	-	-	-	734,006	Grant
Other	Housing	649	Knabbs Lane - Land Contamination	25,000	25,000	-	-	-	25,000	Capital Receipts Reserve
Other	Community	650	Height Barriers - Car Parks	10,000	10,000	-	-	-	10,000	Capital Receipts Reserve
Other	Community	LCF	Leisure Centre Development - Freedom	84,078	53,000	31,078	-	-	84,078	Capital Programme Reserve

Priority	Service	Project	Project (T)	Approved Revised Capital Programme December 22	Proposed Revised budget 21/22 January 22	Original 2022/23	Original 2023/24	Original 2024/25	Total capital programme	Financed by:-
Place	Regulatory		NEW Matlock Hall Leys Park Footbridge Refurbishment	-		45,000			45,000	Capital Receipts Reserve
Place	Regulatory		NEW Matlock Bath Lovers Walk Shelter Rebuild	-		30,000			30,000	Capital Receipts Reserve
Other	Community		NEW Installation of CCTV at 6 District Council Toilet Blocks	-		20,000			20,000	Capital Receipts Reserve
Prosperity	Housing		NEW Affordable Housing provided by Housing Associations and DDDC	-	247,000	1,621,000			1,868,000	S106 Contributions
				10,780,275	5,111,730	6,246,667	537,000	385,000	12,280,397	



## MOVEMENT IN RESERVES - RELATED TO CAPITAL EXPENDITURE 2021/22 to 2024/25

Where a '-' balance is given, this indicates funds are available

<u>Summary of balances</u>	<u>Capital Receipts</u>	<u>Capital Programme Reserve</u>	<u>S106</u>	<u>Grants</u>	<u>Carsington Grants</u>	<u>Economic Dev Reserve</u>	<u>IT Reserve</u>	<u>Invest to save reserve</u>	<u>Waste Vehicle Reserve</u>	<u>Vehicle Reserve</u>	<u>Total</u>
	£	£	£	£	£	£	£	£	£	£	
Opening Balance 1st April 2021	-2,555,435	-1,709,759	-6,758,565	-1,262,194	-33,452	-280,372	-371,889	-562,510	-2,529	-573,379	-14,110,084
Revenue Commitments & other adjustments	1,193	3,749	236,500			39,539	121,250				402,231
in-year Contributions	-150,000			-1,040,770					-142,000	-150,000	-1,482,770
Capital Programme 21/22	1,492,609	726,055	841,090	1,753,447	0	10,000	29,000	0	144,529	115,000	5,111,730
Opening Balance 1st April 2022	-1,211,633	-979,955	-5,680,975	-549,517	-33,452	-230,833	-221,639	-562,510	0	-608,379	-10,078,893
Revenue Commitments & other adjustments						60,559	63,388				123,947
in-year Contributions	-100,000			-491,470						-150,000	-741,470
Capital Programme 22/23	1,052,000	704,523	2,667,498	491,470			92,000	562,510	0	676,666	6,246,667
Opening Balance 1st April 2023	-259,633	-275,432	-3,013,477	-549,517	-33,452	-170,274	-66,251	0	0	-81,713	-4,449,749
Revenue Commitments & other adjustments	0	0	0	0	0	0	0	0	0	0	0
in-year Contributions	-50,000									-150,000	-200,000
Capital Programme 23/24	55,000	90,287	100,000	0	0	0	60,000			231,713	537,000
Opening Balance 1st April 2024	-254,633	-185,145	-2,913,477	-549,517	-33,452	-170,274	-6,251	0	0	0	-4,112,749
Revenue Commitments & other adjustments	0	0	0	0	0	0	0	0	0	0	0
In-year Contributions	0	0	0	0	0	0	0	0	0	-150,000	-150,000
Capital Programme 24/25	0	0	385,000	0	0	0	0	0	0	0	385,000
Opening Balance 1st April 2025**	-254,633	-185,145	-2,528,477	-549,517	-33,452	-170,274	-6,251	0	0	-150,000	-3,877,749

\*\* £131k of capital receipts are disposal receipts and can only be used for housing

Council

27 January 2021

Report of Director of Director of Corporate and Customer Services & Monitoring Officer

## **AMENDMENT TO THE CONSTITUTION – RULES OF SUBSTITUTION**

### **PURPOSE OF REPORT**

To propose a recommendation from the Constitution Working Group to amend the rules in respect of substitute Members for meetings of the Council's policy committees.

### **RECOMMENDATION**

1. That Council Procedure Rule 3.3 in respect of Substitute Members on Committees be amended, as per the wording set out in paragraph 2.3, to permit the notification of substitute Members on policy committees up to 4.00pm on the day of the meeting of such committees.

### **WARDS AFFECTED**

District-wide

### **STRATEGIC LINK**

Strengthening the Council's Constitution and enabling maximum participation by councillors serves to improve the democratic governance of the authority, which underpins the strategic priorities of the Council. The proposed recommendation serves to ensure that there are fewer obstacles to facilitate full representation of the political groups at the Council's policy committees.

## 1 BACKGROUND

- 1.1 The current rules of substitute Members were introduced in January 2020 and apply to all of the Council's committees. Under the current rules, substitute Members, appointed as such by the Council, may attend meetings in that capacity only to take the place of an "ordinary" Member for whom they are the designated substitute.
- 1.2 The revision in January 2020 introduced a requirement for the Director of Corporate and Customer Services to be notified of the name of an absent councillor and the name of the intended substitute councillor by no later than 12noon two working days prior to the day of the meeting.
- 1.3 The substitute scheme previously allowed for each Group to nominate substitutes to mirror the number of ordinary members. This number was considered to be too high in terms of keeping members up to date and the number was reduced to 50% of a group's seat entitlement in the changes made in January 2020.

## 2 REPORT

- 2.1 The Constitution Working Group met on 16 December 2021 and considered a wide-ranging discussion paper to elicit priorities for detailed work to improve the Council's Constitution. During the course of that discussion, it was proposed that the Council should return to the previous provisions for the notification of Substitute Members for the policy committees only. It was recognised that there would be a risk if such a provision applied to Planning Committee and it was also noted that substitute Members were not permitted by law for the Licensing and Appeals Committee.
- 2.2 The proposal to return to the previous provisions was supported by all of the political groups represented on the Constitution Working Group. The Monitoring Officer was asked to submit a report to the next Council meeting to enable the proposed changes to be considered.
- 2.3 It is therefore recommended that Council Procedure Rule 3.3 read:

### Substitution

The rules of substitute Members apply to the Council's committees, other than the Licensing and Appeal Committee. Substitutes may attend meetings, to which this rule applies, in that capacity only:

- a) To take the place of the ordinary Councillor for whom they are the designated substitute;
- b) After notifying the Director of Corporate and Customer Services,
  - (i) In the case of a Policy Committee, by no later than 4.00pm on the day of the meeting, the name of the absent Councillor and the name of the intended Substitute Councillor

(ii) In the case of Planning Committee, by 12noon, two working days prior to the day of the meeting, the name of the absent Councillor and the name of the intended Substitute Councillor

c) Absence and substitution shall be the whole duration of the whole meeting

### **3 RISK ASSESSMENT**

#### Legal

3.1 The proposed changes were previously in force prior to January 2020 and were effective in ensuring maximum representation by political groups at committees in the event of absence of a committee member. The recommendation is consistent with the provisions of law in respect of local authority meetings. The legal risk is therefore considered low.

#### Financial

3.2 There are no financial implications arising from this proposal and the risk is considered low.

### **4 OTHER CONSIDERATIONS**

4.1 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.

### **5 CONTACT INFORMATION**

James McLaughlin, Director of Corporate and Customer Services & Monitoring Officer  
01629 761281 or james.mclaughlin@derbyshiredales.gov.uk

### **6 BACKGROUND PAPERS**

6.1 Constitution of the Council

6.2 Report to Council – 16 January 2020 – Changes to Constitution

Council

27 January 2022

Report of Director of Resources

## **REVENUE BUDGET MONITORING QUARTER 2 2021/22**

### **PURPOSE OF REPORT**

To provide an update on the Council's revenue budget for 2021/22 and to seek approval for virements and the revised budget for 2021/22.

### **RECOMMENDATION**

- 1) That the updated revised revenue budget for 2021/22, including the virements as identified in paragraphs 1.3 to 1.5 of the report, be approved;
- 2) That the forecast underspending of £391,327 for 2021/22 be noted;
- 3) That any underspend at out-turn for 2021/22 be transferred to reserves as follows:
  - the first £100,000 into the General Reserve;
  - the next £200,000 into the Customer Innovation Reserve;
  - the use of any further underspend to be recommended as part of the out-turn report based on priority need.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

Effective budgetary control is important to ensure effective management of Council resources, ensuring that key services and priorities can be delivered.

### **1 REPORT**

- 1.1 On 4<sup>th</sup> March 2021 Council set a net revenue budget of £11,015,556 for 2021/22. This was subsequently updated when the revised net revenue budget of £11,315,443 was approved by Council on the 8<sup>th</sup> July. After allowing for all transfers to and from earmarked reserves and all external funding, the bottom line of the budget was a surplus of £20,200.
- 1.2 Since the revised budget was formally approved in July a small number of other budget amendments have since been approved by Council, and there have been some minor virements approved under delegated authority which have impacted directorate totals. These additional approved budget changes are summarised in

Appendix 1, and have the overall effect of increasing the budget by £52,350 which results in a deficit of £32,150. If this deficit is evident at outturn it would be proposed to fund this from the General Reserve, if no other funding is available.

- 1.3 During the year residents have continued to enter into subscriptions for garden waste collections. This has resulted in £142,000 additional income in excess of the current budget. It is proposed to transfer this amount into the Waste Vehicles Reserve to contribute towards the costs when additional or replacement waste vehicles are required. Furthermore, it is proposed to transfer any further surplus in year in garden waste income to reserves unless further unfunded emerging pressures in Waste Services arise.
- 1.4 The costs of local elections in May for the County Council and the Police and Crime Commissioner, are part funded from central government grant of £30,000 with the remaining balance due from those organisations. These costs are expected to be settled in year and, at present, the elections claims are ongoing. The small cost of the Wirksworth and Masson by-election is to be funded from the Elections Reserve and the Ashbourne, Brailsford and Kirk Ireton Neighbourhood Plan referendums from Revenue Grants Unapplied. Appropriate virements will be processed once the election claims are finalised.
- 1.5 The original budget allowed for expenditure of £50,000 to assist with the delivery of the Local Plan. The expenditure was to be offset by a transfer of £50,000 from the Local Plan Reserve. The current situation is that this is unlikely to be required in full during 2021/22. The original budget also anticipated grant funding of £40,000 relating to the Neighbourhood Plans at Brailsford and Ashbourne which progressed and was recognised during 2020/21 within the outturn position. The Regeneration & Policy and Transfers to / (from) Reserves budgets have been updated to reflect the current position. If delivery of these schemes subsequently progress during 2021/22 then the funding will be drawn down from reserves as initially intended and this will not have any impact on the overall surplus / (deficit) for the year.
- 1.6 The overall impact of all budget amendments to date results in a net revenue expenditure of £11,517,357 and an expected deficit of £32,150 for the year to be funded from the General Reserve. The updated rolling revised budget is included in appendix 2.
- 1.7 The full year forecast to March 2022 based on budget monitoring to quarter 2 (September 2021) and decisions of full Council to 14<sup>th</sup> October 2021 indicates an underspend of £391,327 attributable across services to vacancies against the establishment. These arise where services are carrying vacancies. The forecast assumes a 1.75% pay award, however it is uncertain what pay award for 2021/22 will be awarded.

	Original Budget 2021/22	Total in year Budget Amendments	Proposed Revised Budget	Forecast Outturn	Forecast Variance
	£	£	£		
Chief Executive	371,397	10,310	381,707	393,292	11,585
Community and Environmental Services*	3,221,396	200,316	3,421,712	3,354,515	(67,197)
Corporate Services	1,972,854	19,542	1,992,396	1,914,912	(77,484)
Housing	586,350	0	586,350	540,877	(45,473)
Regeneration and Policy	610,792	37,640	648,432	624,271	(24,161)
Regulatory Services*	1,174,825	178,195	1,353,020	1,321,847	(31,173)
Resources	2,780,575	55,797	2,836,372	2,678,948	(157,424)
<b>Net cost of Services</b>	<b>10,718,189</b>	<b>501,801</b>	<b>11,219,990</b>	<b>10,828,663</b>	<b>(391,327)</b>

1.8 It is recommended that any underspend at out-turn for 2021/22 be transferred to reserves as follows:

- the first £100,000 into the General Reserve, to top up the balance to £1m, which is considered necessary to improve financial resilience;
- the next £200,000 into the Customer Innovation Reserve, to be used to fund the costs of a contract extension for the digital transformation team (see the report elsewhere on the agenda for this meeting relating to Resilience, Resources, Priorities);
- the use of any further underspend to be recommended as part of the out-turn report based on priority need.

1.9 It is proposed that any further cost pressures which cannot be met from existing reserves be financed within the current total budget by virement against forecast underspend. Contributions from the General Reserve should only be required if the forecast outturn position is an over-spending, which seems unlikely for 2021/22.

## **2 RISK ASSESSMENT**

### **2.1 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 to ensure proper accountability. The legal risk is therefore low.

### **2.2 Financial**

The financial details are set out in the body of the report.

Significant risks within the revenue budget include:-

- Uncertainties relating to business rates income, which can be very volatile, especially since the coronavirus pandemic. This risk is assessed as High.
- Uncertainties relating to collection of council tax income and growth in the tax-base, which has been impacted by the coronavirus pandemic. This risk is assessed as Medium to High.
- Income from sales, fees and charges not being achieved. The Council has no direct control over, for example, the level of car parking income, which is affected by factors such as the weather. Some income streams, notably stall market income, have been impacted during the coronavirus pandemic. Income from fees and charges is significant to the Council's financial position and, therefore, this financial risk is assessed as Medium to High.
- Uncertainty due to the value of income from disposal of recycling material (though this is mitigated somewhat by the establishment of a reserve). Given the volatility in the current markets for recyclable materials, this financial risk is assessed as High.
- The current value of a number of Earmarked Reserves may not be adequate to meet all medium term objectives. The General Reserve has fallen below the desired balance (so this report recommends a top up), and the Customer Innovation Reserve is unable to meet current commitments for digital transformation (so this report recommends a top up). Other reserve levels will be reviewed as part of the report on the Proposed Revenue Budget for

2022/23 and in an updated Medium Term Financial Strategy, both of which will be presented to Council in March. At the current time, a significant revenue underspend is anticipated but not guaranteed. This financial risk is assessed as Medium.

### **3 OTHER CONSIDERATIONS**

- 3.1 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.
- 3.2 No detailed climate change assessment required on the increase to the revenue budget. The amendments to the budget have already been approved by members (as per the minute numbers shown in Appendix One) and include two items related to positive Council action around climate change.

### **4 CONTACT INFORMATION**

- 4.1 Karen Henriksen (Director of Resources) [Karen.henriksen@derbyshiredales.gov.uk](mailto:Karen.henriksen@derbyshiredales.gov.uk)
- 4.2 Paul Frith (Financial Services Manager) [Paul.frith@derbyshiredales.gov.uk](mailto:Paul.frith@derbyshiredales.gov.uk)

### **5 BACKGROUND PAPERS**

- 5.1 None

### **6 ATTACHMENTS**

- Appendix 1: Approved Budget Changes since Revenue Monitoring Report (8<sup>th</sup> July 2021)
- Appendix 2 – Updated Revised Budget 2021/22



## Appendix 1 – Approved Budget Changes since Revenue Monitoring Report (8<sup>th</sup> July 2021)

Sum of Amount			Type	Supplemental	
Directorate	Member Approval	Reason for Virement	Virements	Budget	Grand Total
Community and Environmental Services	2 Council 27/7/2021	Waste Services increased HGV Pay	150,848		150,848
	2 Council 27/7/2021	Reduction in recycling credits	55,000		55,000
	2 Council 27/7/2021	Free parking after 2pm (Sept 21)	45,325		45,325
	3 Council 14/10/2021	Independent review into the waste contract		20,000	20,000
	Delegated Authority 28/09/2021	Settlement of 20/21 Covid Freedom Leisure	8,691		8,691
<b>Community and Environmental Services Total</b>			<b>259,864</b>	<b>20,000</b>	<b>279,864</b>
Regeneration and Policy	1 Council 8/7/2021 a	Contribution towards vision Derbyshire		32,350	32,350
<b>Regeneration and Policy Total</b>				<b>32,350</b>	<b>32,350</b>
Regulatory Services	3 Council 14/10/2021	Feasibility study into the technical and financial viability of ground mounted solar photovoltaic arrays on Council land	30,000		30,000
	3 Council 14/10/2021	Activities in relation to supporting area wide emissions reductions	11,700		11,700
<b>Regulatory Services Total</b>			<b>41,700</b>		<b>41,700</b>
Transfer from Reserves	2 Council 27/7/2021	Waste Services increased HGV Pay	(150,848)		(150,848)
	2 Council 27/7/2021	Reduction in recycling credits	(55,000)		(55,000)
	2 Council 27/7/2021	Free parking after 2pm (Sept 21)	(45,325)		(45,325)
	3 Council 14/10/2021	Climate Change activity funded from General Reserve (Council 14/10/21 AI10)	(41,700)		(41,700)
	Delegated Authority 28/09/2021	Settlement of 20/21 Covid Freedom Leisure	(8,691)		(8,691)
<b>Transfer from Reserves Total</b>			<b>(301,564)</b>		<b>(301,564)</b>
<b>Grand Total</b>			<b>0</b>	<b>52,350</b>	<b>52,350</b>

## Appendix 2 – Updated Revised Budget 2021/22

	Original Budget 2021/22 £	Total in year Budget Amendments £	Proposed Revised Budget £	Forecast Outturn	Forecast Variance
Chief Executive	371,397	10,310	381,707	393,292	11,585
Community and Environmental Services*	3,221,396	200,316	3,421,712	3,354,515	(67,197)
Corporate Services	1,972,854	19,542	1,992,396	1,914,912	(77,484)
Housing	586,350	0	586,350	540,877	(45,473)
Regeneration and Policy	610,792	37,640	648,432	624,271	(24,161)
Regulatory Services*	1,174,825	178,195	1,353,020	1,321,847	(31,173)
Resources	2,780,575	55,797	2,836,372	2,678,948	(157,424)
<b>Net cost of Services</b>	<b>10,718,189</b>	<b>501,801</b>	<b>11,219,990</b>	<b>10,828,663</b>	<b>(391,327)</b>
<b>Non Service Items:</b>					
Interest on Balances	(37,000)	0	(37,000)	(37,000)	0
Borrowing Interest Paid	225,150	0	225,150	225,150	0
Statutory Debt Repayment	100,849	0	100,849	100,849	0
Loan Premium Due	110,924	0	110,924	110,924	0
Income from Investment Properties	(102,556)	0	(102,556)	(102,556)	0
<b>Net Revenue Expenditure</b>	<b>11,015,556</b>	<b>501,801</b>	<b>11,517,357</b>	<b>11,126,030</b>	<b>(391,327)</b>
<b>Transfers to / (from) Reserves</b> (as detailed in Appendix 6)	<b>(4,419,167)</b>	<b>(469,651)</b>	<b>(4,888,818)</b>	<b>(4,888,818)</b>	<b>0</b>
<b>Funding Requirement</b>	<b>6,596,389</b>	<b>32,150</b>	<b>6,628,539</b>	<b>6,237,212</b>	<b>(391,327)</b>
<b>Funded by External Funding</b>					
Retained Business Rates including S31					
Grant Payments to and from Pool	(2,868,832)	0	(2,868,832)	(2,868,832)	0
Business Rate Collection Fund (Surplus)/ Deficit	3,949,040	0	3,949,040	3,949,040	0
CT Collection Fund (Surplus)/ Deficit	80,418	0	80,418	80,418	0
New Homes Bonus	(397,613)	0	(397,613)	(397,613)	0
Rural Services Delivery Grant	(420,990)	0	(420,990)	(420,990)	0
Lower Tier Services Grant	(71,358)	0	(71,358)	(71,358)	0
Other Government Grants	(294,083)	0	(294,083)	(294,083)	0
<b>Total External Funding</b>	<b>(23,418)</b>	<b>0</b>	<b>(23,418)</b>	<b>(23,418)</b>	<b>0</b>
Total Council Tax Requirement (inc Parishes)	(8,399,207)	0	(8,399,207)	(8,399,207)	0
Town and Parish Precepts (As detailed in Appendix 9)	1,826,236	0	1,826,236	1,826,236	0
<b>District Council Tax Requirement</b>	<b>(6,572,971)</b>	<b>0</b>	<b>(6,572,971)</b>	<b>(6,572,971)</b>	<b>0</b>
<b>Total (Surplus)/Deficit</b>	<b>0</b>	<b>32,150</b>	<b>32,150</b>	<b>(359,177)</b>	<b>(391,327)</b>
Projected Surplus/ (Deficit) Recommended Transferred to / (from) General Reserve		(32,150)	(32,150)	0	32,150
Projected Surplus/ (Deficit) For Transfer to Reserves		0	0	359,177	359,177
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>