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16 March 2022

To all Councillors:

As a Member of the Council, please treat this as your summons to attend the Council meeting on **Thursday, 24th March 2022 at 6.00pm** in the Council Chamber, Town Hall, Matlock, DE4 3NN.

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 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 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

03 March 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:

Non-exempt Minutes to be received:	Date
Council	27 January 2022
Planning Committee	08 February 2022
Extraordinary Council	17 February 2022
Community & Environment Committee	23 February 2022

Minute Book to follow.

8. QUESTIONS (RULE OF PROCEDURE 15)

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

	Page Nos.
9. THREE-YEARLY REVIEW OF GAMBLING LICENSING POLICY: STATEMENT OF PRINCIPLES	04 - 34
The report informs Council of the requirement for it to carry out a formal review of its current Gambling Statement of principles (policy).	
10. CAPITAL STRATEGY REPORT FOR 2022/23	35 - 62
The report seeks approval for the Council's Capital Strategy, Minimum Revenue Provision policy and the Corporate Investment Strategy for 2022/23.	
11. TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23	63 - 77
The report determines the Treasury Management Strategy Statement for 2022/23.	

- 12. LOCALISM ACT – PAY POLICY STATEMENT** **78 - 93**
- The report meets the requirement to publish the Council’s Annual Pay Policy Statement.
- 13. VISION DERBYSHIRE CLIMATE CHANGE STRATEGY: 2022-2025** **94 - 113**
- The report presents the final draft of the Vision Derbyshire Climate Change Strategy: 2022-2025 for discussion and seeks approval of the Strategy so that officers can continue to contribute to discussions intended to help reduce carbon emissions throughout the county.
- 14. DERBYSHIRE DALES LOCAL PLAN – NEXT STEPS** **114 - 159**
- The report sets out the conclusions of the Local Plan Working Group in relation to meeting housing needs for the period 2017-2040. The report sets out the work that has been undertaken in respect of the identification of additional housing sites, and the extent to which those sites are capable of meeting future housing needs. Finally, the report sets out proposals for future work on the Local Plan.
- 15. LANDSCAPES REVIEW NATIONAL PARK AND AONBS: CONSULTATION ON THE GOVERNMENT RESPONSE** **160 - 181**
- The report presents Members with the details of the Government Response to the Landscapes Review, (also known as the Glover Report). It sets out a proposed set of responses to the consultation questionnaire for submission to the Secretary of State by the deadline of 9th April 2022.
- 16. PROPOSAL OF A NOTICE OF MOTION (RULE OF PROCEDURE 16)**
- The Council will debate the following Motion, submitted by Councillor Colin Swindell, in accordance with Rule of Procedure 16.
- That this Council recognises the hard work and dedication shown by our District Council staff during the recent floods across the Derbyshire Dales. We express our sincere thanks and gratitude for their efforts in safeguarding and protecting our residents, homes and businesses.*
- 17. 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

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

COUNCIL
24TH MARCH 2022

Report of Director of Regulatory Services

THREE-YEARLY REVIEW OF GAMBLING LICENSING POLICY: STATEMENT OF PRINCIPLES

PURPOSE OF REPORT

The report informs Council of the requirement for it to carry out a formal review of its current Gambling Statement of Principles (Policy). Approval is sought of the revised Policy document, produced in Appendix 1, for its adoption and re-publishing. The Policy must be reviewed and approved by the full Council at least once every 3 years.

A clear statement of policy will provide greater scope for licensing authorities to work in partnership with local businesses, communities and responsible authorities to identify and mitigate local risks to the licensing objectives.

RECOMMENDATION

That Council approves the revised Gambling Statement of Principles (Policy) for re-publishing for a further 3 years, to expire 31st January 2025.

WARDS AFFECTED

All

STRATEGIC LINK

An effective licensing regime contributes towards the District Council's priority of a thriving district, particularly in relation to business growth and job creation. Effective enforcement of this regime contributes to our vision of a distinctive rural environment with towns and villages that offer a high quality of life.

1 Background

- 1.1 Under the Gambling Act 2005, the Council is responsible for issuing premises licences for casinos, bingo halls, betting offices, adult gaming centres and licensed family entertainment centres. It also issues permits for gaming machines in pubs, clubs and other alcohol licensed premises. Since the introduction of the Act in 2007, no licence applications for casinos or bingo halls have been received.
- 1.2 The Act contains three licensing objectives, which underpin the functions of the Gambling Commission and the local authority, acting in their capacity as the Licensing Authority.

1.3 These objectives are pivotal to the regulatory regime and are:

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;
- ensuring that gambling is conducted in a fair and open way; and
- protecting children and other vulnerable persons from being harmed or exploited by gambling.

1.4 In this district the following numbers of licences/registrations are currently in force under the Act:

- 1 Adult Gaming Centre (Matlock Bath) – premises licence **
- 2 Bookmakers (Betting Shops) – premises licences
- 4 Unlicensed Family Entertainment Centres (Matlock Bath) - permits
- Occasional Use Notice (for Pikehall Harness Racing)
- 170 Small Society Registrations (for raffles etc).

(** Adult Gaming Centres are premises which provide a limited number of higher stake/higher pay-out 'fruit' machines).

1.5 In practice, it is considered that the Council's policy has worked well; this is reflected by all applications/renewals for licences and permits being granted without any referral to a Committee hearing. It should perhaps be noted there have not been any new applications for premises licences since 2011.

1.6 The Gambling Act 2005 imposes a statutory requirement on the District Council, to prepare a Statement of Principles (Gambling Licensing Policy). This is the Council's tool for regulating gambling in the district. It sets out the Council's expectations of operators and also ensures that the general public and the Responsible Authorities, specified in the legislation, are aware of the Council's regulatory approach to gambling activities.

1.7 The Act requires the Council to republish its policy every three years and the final draft Policy must be considered by a meeting of the full Council. Historically the Council's Policy has been updated every 3 years since 2007. The Policy was last published on 31 January 2019 and has been kept under review since then. There have not been any issues for concern raised, and the only required changes identified and made, were to reflect administrative updates at local level and as a result of administrative changes to the Gambling Commission's Guidance to Licensing Authorities.

1.8 Before the Policy Statement of Principles can be approved and re-published a consultation exercise in respect of any proposed changes is required. A detailed internal review of the Policy was undertaken in August 2021. A further consultation exercise was due to be carried out in time to report any comments back to the October meeting of the Licensing and Appeals Committee, before referral to Council, but was delayed. In November/December 2021 a consultation exercise was carried out with the main stakeholders (Gambling Commission, Responsible Authorities named in the legislation and current licence-holders). No comments were received in respect of the final Draft Policy.

1.9 A copy of the final Draft Policy is produced in **Appendix 1**, for Members' consideration.

1.10 Gambling Commission's Licence Compliance and Enforcement Policy

It is worth noting that the Gambling Commission is currently consulting on changes and updates to its own Licensing, Compliance, and Enforcement Policy. The Commission amends the Policy periodically to ensure that it remains clear to operators and other stakeholders, transparent and up-to-date. The Policy was last amended in 2017.

This Policy builds on the Gambling Commission's Statement of Principles and sets out the Commission's regulatory policies in relation to:

- Assessing risk
- Licensing operators and key personnel
- Carrying out compliance activities
- Regulatory and criminal enforcement

1.12 The revised Policy includes changes which are intended to:

- Set out the Commission's position on products which appear to require dual regulation;
- Clarify some of the Commission's requirements relating to operating and personal licences;
- Incorporate the Commission's new special measures approach which they have been piloting over the last 12 months;
- To reflect a number of changes to the Commission's process on licence review, suspension and regulatory settlement.

1.13 The consultation ended on 9th February 2022 and the outcomes have not yet been published. Depending on the outcomes, it may be necessary for all Licensing Authorities to review their own Licensing Policy Statement of Principles again before the next formal review date of 2025. Officers will monitor the situation, and submit reports/updates to the Licensing and Appeals Committee as necessary.

2 RISK ASSESSMENT

2.1 Legal

The Council has a statutory obligation to review and re-publish its Gambling Licensing Policy statement every 3 years. Not to do so could result in the policy being challenged, and if challenged successfully, could result in the Council's reputation being harmed.

There may be potential for decisions made in determining licensing applications that become the subject of judicial review or appeal. If the Licensing Policy is not credible it may be subject to legal successful challenge.

The report is intended to address issues that may give rise to the need for change, and the legal risk is therefore assessed as being low.

2.2 Financial

There are no significant financial considerations arising from this report. The costs of the review and consultation exercise have been met from existing budgets. Fees for gambling licences are reviewed annually and determined by the Governance & Resources Committee. The financial risk is therefore assessed as low.

3 OTHER CONSIDERATIONS

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

No detailed climate change assessment is required; the report provides updated information only.

A partial Equalities Impact Assessment (EqIA) has been completed as part of reviewing the Gambling Licensing Policy.

4 CONTACT INFORMATION

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Eileen Tierney, Licensing Manager
Tel: 01629 761374
Email: eileen.tierney@derbyshiredales.gov.uk

5 BACKGROUND PAPERS

Draft EqIA – Initial Equalities Impact Assessment – Nov/Dec 2021

On-line consultation - Gambling Commission's changes and updates to Licensing, Compliance, and Enforcement Policy. November 2021-February 2022.

6 ATTACHMENTS

Appendix 1 – Final Draft Gambling Licensing Policy

STATEMENT OF PRINCIPLES: LICENSING POLICY 2022-2025

Gambling Act 2005

Approved by Council xx/xx/xx

All references to the Gambling Commission's Guidance for local authorities in this document, refer to the revised Guidance issued to Licensing Authorities (5th Edition) April 2021

**The Licensing Manager
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PART A

BACKGROUND

1 The Licensing Objectives

- 1.1 The Licensing Authority will have regard to the licensing objectives as set out in Section 1 of the Gambling Act 2005 (“the 2005 Act”). The licensing objectives are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
 - Ensuring that gambling is conducted in a fair and open way.
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.

2 Introduction

- 2.1 The District of Derbyshire Dales District Council is an area of spectacular countryside approximately half of which lies within the Peak District National Park. The District is home to 71,000 people living in four main centres of population – Ashbourne, Bakewell, Matlock and Wirksworth - and 100 or so smaller towns and villages.
- 2.2 Some premises already licensed under the Licensing Act 2003 to sell alcohol and provide entertainment and late night refreshment, are also affected by the provisions of the Gambling Act 2005 - having Amusement with Prizes machines (AWPs). In addition these premises, the 2005 Act affects betting shops and tracks, family entertainment centres, bingo, casinos, adult gaming centres (arcades with high stake/prize machines) and travelling fairs. Also affected are operations not licensed generally for gambling purposes but could be used for certain types of gambling for limited periods – these will be covered by Temporary and Occasional Use Permits. For example, in Derbyshire Dales there is an annual point-to-point race meeting and a harness racing event.
- 2.3 Licensing authorities are required by the Gambling Act 2005 to publish a statement of principles which they propose to apply when exercising their functions. This statement has to be published at least every three years and can also be reviewed from “time to time” with any amended parts being re-consulted upon. The statement is then re-published. The Statement sets out the manner in which applications are considered. Each application will be considered on its individual merits.
- 2.4 Before determining this Statement of Principles Licensing Authorities are required to consult:

- The Chief Officer of Police
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area.
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Gambling Act 2005.

2.5 This Licensing Authority has consulted with:

- Derbyshire Constabulary's Chief Officer of Police
- Local Safeguarding Children Board (Derbyshire County Council)
- Public Health (Derbyshire County Council)
- Persons/Bodies Representative of Trade Associations
- Persons/Bodies Representative of Residents Associations
- Derbyshire Trading Standards Service
- Elected Members of Derbyshire Dales District Council
- Town and Parish Councils, and Parish Meetings

(For a list of bodies/organisations consulted see page 26 of Policy)

The original consultation in 2007 was carried out using the HM Government Code of Practice (July 2008) as guidance.

Details of comments made, and the consideration given to them by the Council is available on request from the Licensing Manager, Derbyshire Dales District Council, Town Hall, Matlock, Derbyshire, DE4 3NN.

The Policy was first approved at a meeting of the full Council on 14 December 2006, with further reviews in 2009, 2013, 2016, 2019 and 2022.

2.7 This Statement will not override the right of any person to make an application, make representations about an application or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

3 Declaration

3.1 In producing the Statement of Principles, this licensing authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the guidance issued by the Gambling Commission and any responses from those consulted on the Statement.

4 Responsible Authorities

- 4.1 The licensing Authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm.

The principles are:

- the need for the body to be responsible for an area covering the whole of the licensing authority's area; and
- the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

In accordance with the suggestion in the Gambling Commission's Guidance for local authorities, this authority designates the Derbyshire County Council's Local Safeguarding Children Board for this purpose.

- 4.2 The contact details of all the Responsible Authorities under the Gambling Act 2005 are detailed in Annexe 1, and are also available via the Council's website at www.derbyshiredales.gov.uk.

5 Interested Parties

- 5.1 Interested parties can make representations about licence applications or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

"For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the application is made, the person -

- (a) lives sufficiently close to the premises to be likely to be affected by the authorised activities;
- (b) has business interests that might be affected by the authorised activities; or
- (c) represents persons who satisfy paragraph (a) or (b)".

- 5.2 The licensing authority is required by the Guidance to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party.

The principles are contained in Annexe 2.

- 5.3 The Gambling Commission recommends that the licensing authority states that interested parties includes trade associations, trade unions, residents' and tenants' associations. This authority will not however generally view these bodies as interested parties unless they have a member who can be classed as an interested person under the terms of the Gambling Act 2005 – ie someone who lives sufficiently close to the premises to be likely to be affected by the activities being applied for.

- 5.4 Interested parties can be persons who are democratically elected such as councillors and Members of Parliament. No specific evidence of being asked to represent an interested person will be required as long as the councillor/MP represents the ward likely to be affected. Likewise, parish councils likely to be affected will be considered to be interested parties. Other than these, however, this authority will generally require written evidence that a person/body (eg advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities, and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.
- 5.5 An individual wishing to approach councillors to ask him/her to represent his/her views should ensure that the councillor(s) is/are not part of the Licensing Sub-Committee dealing with the licence application. Information in respect of Members of the Licensing & Appeals Sub-Committees is available from the Council's Democratic Services Team – 01629 761300.

6 Exchange of Information

- 6.1 Licensing authorities are required to include in their Statements, the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.
- 6.2 The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information taking into account the provisions of the Data Protection Act 1998. The licensing authority will also have regard to any Guidance issued by the Gambling Commission to local authorities on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.
- 6.3 Protocols exist for exchanging information with other statutory organisations, and information will only be shared in accordance with the protocols.

7 Enforcement

- 7.1 In exercising the functions under Part 15 and section 346 of the Gambling Act 2005, respectively, this licensing authority will inspect premises and take any enforcement action in respect of offences specified in accordance with its Corporate Enforcement Policy, the Gambling Commission's Guidance, the Regulators' Compliance Code and the principles of the Legislative and Regulatory Reform Act 2006.
- 7.2 The main enforcement role of the licensing authority will be to ensure compliance with the premises licence and other permissions which it authorises.
- 7.3 This licensing authority's principles are that:

It will be guided by the Gambling Commission's Guidance to licensing authorities and will endeavour to be:

- Proportionate: regulators should only intervene when necessary; remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

In accordance with the Gambling Commission's Guidance, it will also endeavour to avoid duplication with other regulatory regimes so far as is possible.

- 7.4 The Gambling Commission is the enforcement body for the operating and personal licences. Concerns about manufacture, supply or repair of gaming machines are not be dealt with by the licensing authority but should be notified to the Gambling Commission.

8 Licensing Authority Functions

- 8.1 The 2005 Act requires this licensing authority to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences.
- Issue Provisional Statements.
- Regulate Members' Clubs and Miners' Welfare Institutes (if applicable) that wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits.
- Issue Club Machine Permits to Commercial Clubs.
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres.
- Receive notifications from alcohol-licensed premises, under the Licensing Act 2003, for the use of two or fewer gaming machines.
- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines.
- Register small society lotteries below prescribed thresholds.
- Issue Prize Gaming Permits.
- Receive and Endorse Temporary Use Notices.
- Receive Occasional Use Notices.
- Provide information to the Gambling Commission regarding details of licenses issued.
- Maintain registers of the permits and licences that are issued under these functions.

- 8.2 Licensing authorities are not involved in licensing remote gambling. This regulatory responsibility lies with the Gambling Commission via operating licences.

PART B

PREMISES LICENCES

1 General Principles

- 1.1 Premises licences are subject to the requirements set out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.
- 1.2 This licensing authority is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it is:
- in accordance with any relevant code of practice issued by the Gambling Commission;
 - in accordance with any relevant guidance issued by the Gambling Commission;
 - reasonably consistent with the licensing objectives; and
 - in accordance with the authority's Statement of Principles.

The Gambling Commission has advised that "moral objections to gambling are not a valid reason to reject applications for premises licences", and that unmet demand is not a criterion for a licensing authority.

- 1.3 Premises is defined in the Act as "any place". Different premises licences cannot apply in respect of a single premises at different times. However, it is possible for a single building to be subject to more than one premises licence provided that they are for different parts of the building, and the different parts of the building can properly be regarded as being separate premises.

The Gambling Commission states in the fourth edition of its Guidance to Licensing Authorities (issued in September 2012) that:

"In most cases the expectation is that a single building /plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and the ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as separate premises will depend on circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes, or moveable partitions, can properly be regarded as different premises".

- 1.4 This licensing authority takes particular note of the Gambling Commission's Guidance for local authorities in respect of access to gambling by children and young people, which states that,

“Licensing authorities should pay particular attention to applications where access to the licensed premises is through other premises (which themselves may be licensed or unlicensed). Clearly, there will be specific issues that authorities should consider before granting such applications, for example whether children can gain access; compatibility of the two establishments; and ability to comply with the requirements of the Act. But in addition, an overriding consideration should be whether, taken as a whole, the co-location of the licensed premises with other facilities has the effect of creating an arrangement that otherwise would, or should, be prohibited under the Act”, and

“Licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling purposes). In particular they should be aware that entrances and exits from parts of a building covered by one or more licences should be separate and identifiable so that the separation of different premises is not compromised and that people do not ‘drift’ into a gambling area”. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.

The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have separate registrations for business rates?
- Is the premises’ neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

This licensing authority will consider these and any other relevant factors in making its decision, depending on all the circumstances of the case.

- 1.5 **Location** - This licensing authority is aware that demand issues cannot be considered with regard to the location of premises, but that considerations in terms of the licensing objectives can be. This licensing authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.
- 1.6 **Duplication with other regulatory regimes** - This licensing authority will seek to avoid any duplication with other statutory/regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. However, it will listen to, and consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions, should such a situation arise.
- 1.7 **Licensing Objectives** - Premises licences granted must be reasonably consistent with the licensing objectives:
- **preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;**

1.7.1 This licensing authority is aware that the Gambling Commission will be taking a leading role in preventing gambling being a source of crime. Where an area has known high levels of crime this authority will consider whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. This licensing authority is aware of the distinction between disorder and nuisance, and will consider factors such as whether police assistance was required and the extent to which the behaviour was threatening, so as to make that distinction. Issues of nuisance cannot be addressed by the Gambling Act provisions.

- **Ensuring that gambling is conducted in a fair and open way;**

1.7.2 This licensing authority has noted that the Gambling Commission has stated that it would, generally, not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences. (Tracks are dealt with differently – see pages 15/16).

- **Protecting children and other vulnerable persons from being harmed or exploited by gambling.**

1.7.3 This licensing authority acknowledges the Commission's Guidance, that this objective means preventing children from taking part in gambling as well as restriction of advertising so that gambling products are not aimed at, or are, particularly attractive to children.

1.7.4 Consideration will be given as to whether specific measures should be required at particular premises – these could include, supervision of entrances, machines, segregation of areas etc.

1.7.5 In the absence of a practical definition of 'vulnerable persons' the licensing authority acknowledges that for regulatory purposes the Commission assumes, "...that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs."

1.7.6 The licensing authority will consider this licensing objective on a case-by-case basis.

1.7.7 The licensing authority will pay particular attention to any Codes of Practice which the Gambling Commission issues as regards the licensing objective, protecting children and other vulnerable persons from being harmed or exploited by gambling, in relation to specific premises such as casinos.

It is understood that a Code for casinos must:

- specify steps that the premises licence holder must take to ensure that children and young persons (that is those under the age of 18) do not enter casino premises, or in the case of the regional casino, do not enter the gambling area;
- amongst those specified steps, ensure that each entrance to the casino or gambling area is supervised by at least one person ("the supervisor") who is responsible for compliance with the code of practice; and

- require that, unless the supervisor is certain that a person seeking admittance is an adult, evidence of age must be required of all those seeking to enter the casino or gambling area.

1.8 **Local Risk Assessments** - from 6 April 2016 a new requirement was introduced requiring licensed operators of certain gambling establishments to undertake local risk assessments.

1.8.1 This requirement was formalised in the Gambling Commission's Licence Conditions and Codes of Practice (LCCP) which were revised and published in February 2015 and updated in January 2018 to take effect from 4th April 2018.

1.8.2 Local risk assessments apply to all non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences.

1.8.3 Licensees are required to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In undertaking their risk assessments, they must take into account relevant matters identified in this policy statement.

1.8.4 Licensees are required to undertake a local risk assessment:

- a) when applying for a new premises licence;
- b) to take account of significant changes in local circumstances, including those identified in a licensing authority's statement of licensing policy;
- c) when there are significant changes at a licensee's premises that may affect mitigation of local risks; and
- d) when applying for a variation of a premises licence.

1.8.5 The risk assessment must be reviewed as necessary.

1.8.6 The new social responsibility provision is supplemented by an ordinary code provision recommending as good practice that:

- a) licensees should share their risk assessment with licensing authorities when applying for a premises licence; or
- b) applying for a variation to an existing licensed premises;
- c) or at the request of the licensing authority.

1.9 **Conditions** – This licensing authority will only attach conditions to a licence that are proportionate and:

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premise and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects.

1.10 Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this licensing authority will consider utilising should

there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This licensing authority will also expect the licence applicant to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively.

1.11 The licensing authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives.

1.12 This licensing authority will ensure that where category C or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

1.13 This licensing authority is aware that tracks may be subject to one or more than one premises licence, provided that each licence relates to a specified area of the track. This licensing authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

1.14 There are conditions which the licensing authority cannot attach to premises licences.

These are:

- any condition on the premises licence which makes it impossible to comply with an operating licensing condition;
- conditions relating to gaming machine categories, numbers or methods of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated) and
- conditions in relation to stakes, fees, winning or prizes.

1.15 **Door Supervisors** - The Gambling Commission advises in its Guidance that licensing authorities may consider whether there is a need for door supervisors to protect children and vulnerable persons from being harmed or exploited by gambling and also

to prevent premises becoming a source of crime. It is noted though that door supervisors at casinos or bingo premises cannot be licensed by the Security Industry Authority (SIA). Where it is determined that door supervisors are required, the licensing authority will consult with the Police.

- 1.16 For premises other than casinos and bingo premises, operators and licensing authorities may decide that supervision of entrances/machines is appropriate for particular cases but it will need to be decided whether or not these need to be SIA licensed. It will not be automatically assumed that they need to be.

2 Adult Gaming Centres

- 2.1 This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the premises.

- 2.2 Appropriate licence conditions may cover issues such as:

- Proof of Age Schemes
- CCTV
- Supervision of Entrances/Machine Areas
- Physical Separation of Areas
- Location of Entry
- Notices/Signage
- Specific Opening Hours
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare.

- 2.3 This licensing authority notes that the holder of an Adult Gaming Centre premises licence may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises. Premises in existence before 13 July 2011 are entitled to make available eight category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. A licence variation may be required if operators wishing to take advantage of this change in the legislation need to make alterations to the structure/layout of the premises.

- 2.4 The holder of an Adult Gaming Centre premises licence granted on or after 13 July 2011, but before 1 April 2014, was entitled to make available a maximum of eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater; however, from 1 April 2014 these premises were entitled to only 20% of the total number of gaming machines.

3 (Licensed) Family Entertainment Centres

- 3.1 This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority, for example that there will be sufficient measures to

ensure that under 18 year olds do not have access to the adult only gaming machine areas.

3.2 This licensing authority will expect applicants to offer their own measures to meet this licensing objective; appropriate licence conditions may cover issues such as:

- CCTV
- Supervision of Entrances/Machine Areas
- Physical Separation of Areas
- Location of Entry
- Notices/Signage
- Specific Opening Hours
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare
- Measures/training for staff on how to deal with suspected truant school children on the premises.

This list is not mandatory or exhaustive – it is merely indicative of example measures.

3.3 This licensing authority will, as per the Gambling Commission's Guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. This licensing authority will also make itself aware of any mandatory or default conditions on these premises licences when they have been published.

4 Casinos

4.1 This licensing authority has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005, but is aware that it has the power to do so. Should this licensing authority decide in the future to pass such a resolution, it will update this Statement with details of that resolution. Any such decision would need to be made by the full Council.

5 Bingo Premises

5.1 This licensing authority notes that the Gambling Commission Guidance states in paragraph 18.4, that:

"Licensing authorities need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas."

5.2 and in paragraph 18.6, that:

"Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed."

- 5.3 This licensing authority also notes that the holder of a bingo premises licence may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises. Premises in existence before 13 July 2011 are entitled to make available eight category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. A licence variation may be required if operators wishing to take advantage of this change to the legislation need to make alterations to the structure/layout of the premises.
- 5.4 The holder of a bingo premises licence granted on or after 13 July 2011, but before 1 April 2014, is entitled to make available a maximum of eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater; however, from 1 April 2014 these premises have been entitled to 20% of the total number of gaming machines only. Regulations state that category B machines at bingo premises should be restricted to sub-category B3 and B4 machines, but not B3A lottery machines.
- 5.5 This licensing authority also notes the Guidance at paragraph 18.8 regarding the unusual circumstances in which the splitting of a pre-existing premises into two adjacent premises might be permitted, and in particular that it is not permissible to locate sixteen category B3 gaming machines in one of the resulting premises, as the gaming machine entitlement for that premises would be exceeded.

6 Betting Premises

- 6.1 This licensing authority will, as stated in the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions and the ability of staff to monitor the use of the machines by children and young persons or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer. It is an offence for those under 18 to bet.

7 Tracks

- 7.1 This licensing authority is aware that tracks may be subject to one, or more than one, premises licence, provided each relates to a specified area of the track.
- 7.2 Consideration will be given to the third licensing objective; in particular, the need to ensure that entrances to each type of premises are distinct and children are excluded from gambling areas where they are not permitted to enter.
- 7.3 This licensing authority will therefore expect premises licence applicants to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, although they are still prevented from entering areas where gaming machines (other than category D machines) are provided.
- 7.4 This licensing authority will expect applicants to offer their own measures to meet the licensing objectives, however, appropriate measures/licence conditions may cover issues such as:

- Proof of Age Schemes
- CCTV
- Supervision of Entrances/Machine Areas
- Physical Separation of Areas
- Location of Entry
- Notices/Signage
- Specific Opening Hours
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare

This list is not mandatory or exhaustive - it is merely indicative of example measures.

- 7.5 This licensing authority will have regard to further guidance from the Gambling Commission in respect of where gaming machines may be located on tracks and any special considerations that should apply in relation, for example, to supervision of the machines and preventing children from playing with them.
- 7.6 Gaming Machines - Consideration will be given to the location of gaming machines at tracks, and applications for track premises licences will need to demonstrate that where the applicant holds a pool betting operating licence and is going to use his entitlement to four gaming machines, (other than category D machines) these machines are located in areas from which children are excluded.
- 7.7 Betting Machines - This licensing authority will take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.
- 7.8 This licensing authority notes the suggestion in the Guidance that it may wish to restrict the number and location of such machines in respect of applications for track betting premises licences.
- 7.9 This licensing authority will attach a condition to track premises licences requiring the track operator to ensure that the rules are prominently displayed in or near the betting areas, or that other measures are taken to ensure that they are made available to the public. For example, the rules could be printed in the race-card or made available in leaflet form from the track office.
- 7.10 This licensing authority will require detailed plans for the race-track and the area that will be used for the temporary “on-course” betting facilities (often known as the “betting ring”) and in the case of dog tracks and horse racecourses, fixed and mobile pool betting facilities operated by the Tote or track operator, as well as any other proposed gambling facilities. Plans should make clear what is being sought for authorisation under the track betting premises licence and what, if any, other areas are to be subject to a separate application for a different type of premises licence.
- 7.11 This licensing authority would prefer that all self-contained premises operated by off-course betting operators on track be the subject of separate premises licences. This would ensure that there was clarity between the respective responsibilities of the track operator and the off-course betting operator running a self-contained unit on the premises.

8 Travelling Fairs

- 8.1 Low-stake (category D) fruit machines can be made available at fairgrounds along with coin pushers, cranes and grabbers, but higher stake gaming machines (category B and C), like those typically played in arcades and pubs, are not permitted. Fairground operators must source all their machines from Gambling Commission licensed suppliers, and all employees working with gaming machines must be at least 18 years old.
- 8.2 However, it will fall to this licensing authority to decide whether, where category D machines and/or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.
- 8.3 The licensing authority will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 8.3 It has been noted that the 27 day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This licensing authority will work with its neighbouring authorities to ensure that land which crosses boundaries is monitored so that statutory limits are not exceeded.

9 Provisional Statements

- 9.1 An application for a provisional statement shall include such plans and other information in relation to the construction, alteration or acquisition as prescribed in regulations.
- 9.2 In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant's circumstances. In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:
 - (a) which could not have been raised by objectors at the provisional licence stage; or
 - (b) which, in the authority's opinion, reflects a change in the operator's circumstances.
- 9.3 This licensing authority will not take into account irrelevant matters; one example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for the proposal.

10 Reviews

- 10.1 A review of a premises licence may be made by interested parties or responsible authorities. However, the licensing authority will decide whether the review is to be carried out.

This licensing authority will consider if it is:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives;
- in accordance with the authority's Statement of Licensing Policy; and
- whether the request for a review is frivolous or vexatious.

10.2 The licensing authority can also initiate a review of a licence on the basis of any reason which it thinks is appropriate.

PART C

PERMITS/TEMPORARY AND OCCASIONAL USE NOTICES

1 Unlicensed Family Entertainment Centre Gaming Machine Permits (Statement of Principles on Permits - Schedule 10 Paragraph 7)

- 1.1 Where premises do not have a premises licence but wish to provide gaming machines, an applicant may apply to the licensing authority for this permit. The applicant must show that the premises will be wholly or mainly used for making gaming machines available for use.
- 1.2 A permit may be granted only if this licensing authority is satisfied that the premises will be used as an unlicensed Family Entertainment Centre (FEC), and if the Chief Officer of Police has been consulted on the application. Some considerations to take into account would be the applicant's suitability to operate a family entertainment centre, the suitability of the location of the premises, and any issues about disorder.
- 1.3 This licensing authority will expect the applicant to show that there are policies and procedures in place to protect children and other vulnerable persons from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will be considered on their merits.
- 1.4 Applicants will have to demonstrate that they and their staff have a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs.
- 1.5 Applicants should have no relevant convictions, as set out in schedule 7 of the Act.
- 1.6 The Licensing Authority cannot attach conditions to this type of permit.
- 1.7 With regard to renewals of these permits, a licensing authority may refuse an application for renewal of a permit only on the grounds that an authorised local authority officer has been refused access to the premises without reasonable excuse, or that renewal would not be reasonably consistent with pursuit of the licensing objectives.

2 Alcohol Licensed Premises Gaming Machine Permits (Schedule 13 Paragraph 4(1))

- 2.1 Premises licensed to sell alcohol for consumption on the premises can automatically have two gaming machines, of categories C and/or D. The proprietor of the premises must give notification to the licensing authority.
- 2.2 The licensing authority may remove the automatic authorisation in respect of any particular premises if:
- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
 - gaming has taken place on the premises that breaches a condition of Section 282 of the Gambling Act;
 - the premises are mainly used for gaming; or
 - an offence under the Gambling Act has been committed on the premises.
- 2.3 If a proprietor of a premises wishes to have more than two machines, he/she must apply for a permit and the licensing authority must consider the application based on the licensing objectives and any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005.
- 2.4 This licensing authority will also consider the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines.
- 2.5 Measures that can be may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage should be considered. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare.
- 2.6 It is recognised that some local licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would need to be applied for and dealt with as an Adult Gaming Centre premises licence.
- 2.7 It should be noted that the licensing authority can decide to grant the application with a smaller number of machines and/or a different category of machines than applied for.
- 2.8 The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machines.

3 Prize Gaming Permits (Statement of Principles on Permits - Schedule 14 Paragraph 8 (3))

- 3.1 The licensing authority has not prepared a Statement of Principles on Permits. Should it decide to do so it will include details in a revised version of this Statement of Principles.

- 3.2 In making its decision on an application for a permit the licensing authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission Guidance.
- 3.3 In the Gambling Act 2005 there are conditions the permit holder must comply with but that the licensing authority cannot attach as conditions.

The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

4 Club Gaming and Club Machine Permits

- 4.1 Members' Clubs and Miners' Welfare Institutes (but not commercial clubs) may apply for a Club Gaming Permit or a Club Gaming Machine Permit. The Club Gaming Permit will enable the premises to provide gaming machines (a maximum of three machines of categories B, C or D), equal chance gaming and games of chance. A Club Gaming Machine Permit will enable the premises to provide gaming machines (a maximum of three machines of categories B, C or D).
- 4.2 Members' clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968.
A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of the Royal British Legion and clubs with political affiliations.
- 4.3 Licensing authorities may only refuse an application on the grounds that:
- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
 - (b) the applicant's premises are used wholly or mainly by children and/or young persons;
 - (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
 - (d) a permit held by the applicant has been cancelled in the previous ten years; or

(e) an objection has been lodged by the Commission or the Police.

- 4.4 There is a 'fast-track' procedure available for premises which hold a Club Premises Certificate under the Licensing Act 2003. Under the fast-track procedure there is no opportunity for objections to be made by the Gambling Commission or the Police, and the grounds upon which a licensing authority can refuse a permit are reduced.

The grounds on which an application under the process may be refused are:

- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) that a Club Gaming Permit or Club Machine Permit issued to the applicant in the last ten years has been cancelled.

5 Temporary Use Notices

- 5.1 The licensing authority will decide what constitutes a 'set of premises' where Temporary Use Notices are received relating to the same building/site.
- 5.2 This was a new permission in 2005 and this licensing authority will object to notices if it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises.

6 Occasional Use Notices

- 6.1 The licensing authority has limited discretion regarding these notices, other than ensuring that the statutory limit of eight days in a calendar year is not exceeded. The licensing authority will determine the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

7 Small Society Lotteries

- 7.1 This licensing authority will adopt a risk-based approach towards its enforcement responsibilities for small society lotteries. This authority considers that the following list, although not exhaustive, could affect the risk status of the operator:
- submission of late returns (returns must be submitted no later than 3 months after the date on which the lottery draw was held)
 - submission of incomplete or incorrect returns
 - breaches of limits for small society lotteries
- 7.2 Non-commercial gaming is permitted if it takes place at a non-commercial event, either as an incidental or principal activity at the event. Events are non-commercial if no part of the proceeds is for private profit or gain. The proceeds of such events may benefit one of more individuals if the activity is organised:
- by, or on behalf of, a charity or for charitable purposes
 - to enable participation in, or support of, sporting, athletic or cultural activities.

If charities or community groups need further advice, the Council's Licensing Team can help – 01629 761313.

RESPONSIBLE AUTHORITIES – CONTACT DETAILS

Section 157 of the Gambling Act 2005 identifies the bodies that are to be treated as responsible authorities. They are:

- (a) a licensing authority in England and Wales in whose area the premises is wholly/partly situated.

**Derbyshire Dales District Council, Licensing Manager, Regulatory Services,
Town Hall, Matlock, Derbyshire, DE4 3NN**

- (b) the Gambling Commission; Victoria Square House, Victoria Square, Birmingham, B2 4BP

- (c) the chief officer of police/chief constable for the area in which the premises is wholly/partially situated;

**Derbyshire Constabulary, North Division, Silverlands, Buxton,
Derbyshire, SK17 6QJ**

- (d) the fire and rescue service for the same area;

**Derbyshire Fire and Rescue Service, Area Office, Staden Lane, Buxton,
Derbyshire, SK17 9RZ**

- (e) the local planning authority;

**Derbyshire Dales District Council, Development Manager, Regulatory Services,
Town Hall, Matlock, Derbyshire, DE4 3NN**

Or if premises situated in the Peak District National Park:

**Planning Service, Peak District National Park, Aldern House, Baslow Road,
Bakewell, Derbyshire, DE45 1AE**

- (f) an authority which has functions in relation to pollution to the environment or harm to human health;

**Derbyshire Dales District Council, Principal Environmental Health Officer,
Regulatory Services, Town Hall, Matlock, Derbyshire, DE4 3NN.**

Or if premises enforced by Health & Safety Executive:

**Health & Safety Executive, Band 5 Admin Leader, 1st Floor, The Pearson
Building, 55 Upper Parliament Street, Nottingham, NG1 6AU**

- (g) anybody designated in writing by the licensing authority as competent to advise about the protection of children from harm;

**Safeguarding Children Board, Safeguarding and Specialist Services,
Derbyshire County Council, County Hall, Matlock, Derbyshire, DE4 3AG**

- (h) HM Revenue & Customs (Notts & Derbyshire):

Howard House, Castle Meadow Road, Nottingham, NG2 1AB

and

- (i) any other person prescribed in regulations by Secretary of State.

Annexe 2

PRINCIPLES TO DETERMINE WHETHER A PERSON IS AN INTERESTED PARTY

2.1 Sufficiently close to the premises

When determining what “sufficiently close to the premises” means (in each case), this licensing authority will consider:

- the size of the premises;
- the nature of the premises;
- the distance of the premises from the location of the person making the representation;
- the potential impact of the premises (number of customers, routes likely to be taken by those visiting the establishment); and
- the circumstances of the complainant. This is not the personal characteristics of the complainant, but the interests of the complainant which may be relevant to the distance from the premises. For example, it could be reasonable for an authority to conclude that “sufficiently close to be likely affected” could have a different meaning for (a) a private resident, (b) a residential school for children with truanting problems, and (c) a residential hostel for vulnerable adults.

2.2 Persons with business interests that could be affected

When determining what “a person with business interests that might be affected by the premises” means (in each case), this licensing authority will consider:

- the size of the premises;
- the ‘catchment’ area of the premise (ie how far people travel to visit); and
- whether the person making the representation has business interests in that ‘catchment’ area, that might be affected.

ADMINISTRATION, EXERCISE AND DELEGATION OF FUNCTIONS

The Powers and duties of the Council in respect of licensing may be carried out by the Licensing Committee, by a Sub-Committee or by officers acting under delegated authority. In the interests of efficiency and cost effectiveness the Council will delegate routine matters to officer level.

Matter to be dealt with	Full Council	Sub-Committee of Licensing Committee	Officer
Final approval of 3 year Statement of Principles.	X		
Policy not to permit Casinos.	X		
Fee setting when appropriate.		X	Officers/Policy Committee
Applications for Premises Licences		Where representations have been received and not withdrawn.	Where no representations received / representations have been withdrawn.
Application for a variation to a licence.		Where representations have been received and not withdrawn.	Where no representations received / representations have been withdrawn.
Application for a transfer of a licence.		Where representations have been received from the Commission.	Where no representations have been received from the Commission.
Application for a provisional statement.		Where representations have been received and not withdrawn.	Where no representations received / representations have been withdrawn.
Initiate a Review of a premises licence.			X
Application for club gaming/club machine permits.		Where objections have been made and not withdrawn.	Where no objections have been made/ objections have been withdrawn.

Matter to be dealt with	Full Council	Sub-Committee of Licensing Committee	Officer
Cancellation of club gaming/club machine permits		X	
Application for other permits.			X
Cancellation of licensed premises gaming machine permits.			X
Consideration of temporary use notice.			X
Decision to give a counter notice to a temporary use notice			X
Decision on whether a representation is irrelevant, or falls within the categories defined within section 198 of the Act (frivolous, vexatious etc)			X
To determine whether the Licensing Authority should make a representation, and the content of it.			X
Small Society Lotteries		Where refusal or revocation recommended.	Authority to grant or cancel small society registrations.

CONTACT INFORMATION

If you have any queries regarding any licensing matter contact:

Licensing Team
Regulatory Services
Derbyshire Dales District Council
Town Hall
Matlock
Derbyshire DE4 3NN

Tel: 01629 761313
e-mail: licensing@derbyshiredales.gov.uk
Website: derbyshiredales.gov.uk

LIST OF CONSULTEES ON ORIGINAL POLICY

- Gambling Commission;
- H M Customs and Excise;
- Responsible Authorities listed in Annexe 1 of this Policy;
- Derbyshire County Council Safeguarding Board and Public Health Authority;
- Neighbouring Licensing Authorities;
- **Persons/Bodies Representative of Trade Association;**

British Horse Racing Board, British Beer and Pub Association, British Amusement Catering Trades Association, The Bingo Association, British Holiday and Home Parks, Business in Sport & Leisure, Casino Operators' Association (UK), Racecourse Association Ltd, North Derbyshire Chamber of Commerce and Industry; all businesses currently licensed under the Gambling Act 2005 (eg betting shops, amusement arcades (and Head offices such as Ladbrokes, William Hill etc); pubs and clubs licensed to sell alcohol under the Licensing Act 2003 with amusement with prizes machines etc;

- **Persons/Bodies representing the interests of persons who are likely to be affected by the exercise of the authority's functions under the Gambling Act 2005;**

Gambler's Anonymous, Remote Gambling Association, Citizen's Advice Bureau, Derbyshire Primary Care Trust, Town/Parish Councils, and Parish Meetings, and Derbyshire Rural Community Council.

COUNCIL

24 MARCH 2022

Report of the Director of Resources

CAPITAL STRATEGY & INVESTMENT STRATEGY REPORT FOR 2022/23

PURPOSE OF REPORT

This report seeks approval for the Council's Capital Strategy, Minimum Revenue Provision policy and the Corporate Investment Strategy for 2022/23.

RECOMMENDATION

That the Capital Strategy, Minimum Revenue Provision policy and the Corporate Investment Strategy for 2022/23 are approved.

WARDS AFFECTED

All

STRATEGIC LINK

The above recommendation contributes to all of the Council's Corporate Plan Priorities.

1 CAPITAL STRATEGY REPORT

Introduction

- 1.1 This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.3 The Capital Strategy report forms a key part of the Council's corporate Financial Planning Framework. It provides a mechanism by which capital expenditure is aligned over a medium term (up to a 5 year) planning period.

Key changes to Accounting Policies impacting upon the Capital Strategy for 2022/23 onwards.

1.4 The two main changes impacting upon the Capital Strategy are:-

- Revisions to the Prudential Code

The Prudential Code (2021 edition) now stipulates that it is not prudent for local authorities to make any investment or spending decision that will increase the Capital Financing Requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any commercial returns are related to the financial viability of the project in question. The UK Government's rules for accessing the Public Works Loans Board (PWLB) funding require statutory chief officers to verify that their local authority's capital spending plans do not include the acquisition of assets primarily for yield.

The Council has not borrowed from the PWLB for the acquisition of assets primarily for yield.

- Implementation of Accounting Standard IFR16 for Leases.

The Accounting Standard IFRS16 removes the previous lease classifications of operating and finance leases and it requires that a right-of-use asset be recognised for all leases with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset. Currently operating lease payments are charged to net cost of services in the revenue account. Implementation of the standard would mean that a charge for depreciation and interest (which will be the equivalent to the former lease payment) will be charged to the net cost of services. . These changes would impact upon the setting and reporting of Prudential Indicators.

This standard was intended to be implemented on 1st April 2022; however emergency proposals by CIPFA LASAAC recently consulted on deferring implementation of IFRS 16 for a further year. The consultation exercise was completed on 3rd March 2022 and the outcome is not yet known.

The Capital Strategy and the Treasury Management Strategy reports do not currently reflect the implementation of IFRS16. An exercise is in progress to identify operating leases and determine the impact IFRS16. It is expected that this will be concluded by July and any necessary changes will be reported back to members for approval.

Capital Expenditure and Financing

- 1.5 Capital expenditure is where the Authority spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example it has been our policy that assets costing below £10,000 are not capitalised and are charged to revenue in the year that expenditure is incurred.
- 1.6 In 2022/23 the Authority is planning capital expenditure of £000's as summarised below:-

Table 1: Prudential Indicator: Estimates of Capital Expenditure in 000's

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
General Fund	4,944	5,168	7,742	537	385

1.7 The main General Fund capital projects include:-

- Bakewell Road, Matlock development: £1.226m to regenerate Matlock with installation of a cinema and commercial units.
- Energy efficiency schemes at the Town Hall, the Depot and Agricultural Business Centre £912k
- Energy efficiency schemes for homes within the District (LAD3 & HUG 1 schemes) £907k.
- New Affordable Housing Projects totalling £1.868m with the Council proving housing directly itself and through supporting Housing Associations.
- Replacement of the Council's vehicle fleet £1.114m.

1.8 Capital expenditure totals include Capital Investments. Capital Investments include loans and shares made for service purposes and property held primarily for financial return in line with the definition in the CIPFA Treasury Management Code. These are outlined at the **Corporate Investment Strategy 2022/23 shown at Appendix 1**

Governance

1.9 The Council's Capital Programme is prepared annually in March by the Director of Resources in consultation with the Corporate Leadership Team, and reported to full Council for approval. The programme sets out the capital projects that will take place in the forthcoming financial year and the projects that are forecast for the following four financial years. The capital programme is updated in July (to reflect the outturn of the previous financial year and any slippage) and in autumn (reflecting progress on projects and adding any new bids).

1.10 There are occasions when the Council is successful at obtaining funding for projects which require no financial contribution from the Council. Partners usually require the successful bids to be completed within a short timescale. As projects are not authorised to commence until full Council approval is given for inclusion in the capital programme, this may jeopardise the acceptance of the offer or completion of the project. An amendment to Financial Regulations is currently being considered which will provide the appropriate governance but allow for swift decision making.

1.11 Where expenditure is required or anticipated which has not been included in the Capital Programme, then a revision to the Capital Programme is required before that spending can proceed. Revisions to the Capital Programme must be approved firstly by the Corporate Leadership Team, then by Council. For projects over £25,000, or those of a political nature, a report is required to the relevant policy committee before the project is reported to Council. Revisions to the Capital Programme will generally be taken to

Council only in July and Autumn each year, unless there are exceptional circumstances.

- 1.12 All projects within the programme will be financed in accordance with the funding strategy set out below. Within the available resources, bids for new capital projects are to be identified by officers and raised at the Capital Programme Working Group. In turn these will be evaluated and prioritised by the Corporate Leadership Team prior to seeking Committee / Council approval. Projects must contribute to the Council's objectives including, from this year onwards, how they impact upon the environment and climate change.
- 1.13 Bids for inclusion in the capital programme are supported by business cases, which must demonstrate that the project provides an effective and value for money solution, and that all possible sources of external funding have been sought. The business cases also identify any implications for the revenue account, such as increased or reduced expenditure or increased income.
- 1.14 Once approved by Council, a project manager is identified to be responsible for the effective control and monitoring of each project, including financial monitoring. The Council has established a corporate property working group and a capital programme working group, which meet regularly to monitor the council's assets and capital programme. Any projects that might exceed the agreed budget must be reported to the Director of Resources. If appropriate corrective action cannot be taken to bring the project back within budget, the additional costs will be reflected in the next update of the capital programme. Changes which result in an increase in the amount of an accepted tender or estimate by 10% or £50,000, whichever is the lower, will be reported to the relevant Policy Committee as soon as possible with an estimate of the probable new cost, and subsequently to full Council for approval of any additional expenditure.
- 1.15 All capital expenditure must be financed from external sources (government grants and other contributions) or the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:-

Table 2: Capital financing of the Capital Programme

Proposed Capital programme	Revised 2021/22 £	Original 2022/23 £	Original 2023/24 £	Original 2024/25 £	Total £
Capital Receipts Reserve	1,492,609	763,529	55,000	0	2,311,138
Capital Programme Reserve	741,055	732,879	90,827	0	1,564,221
S106 contributions	841,090	2667,498	100,000	385,000	3,993,588
Grants	1,780,420	1,997,556	0	0	3,777,986
Economic Development Reserve	10,000	48,000	0	0	58,000
IT Reserve	29,000	92,000	60,000	0	181,000

Invest to Save Reserve	0	562,510	0	0	562,510
Waste Vehicle Reserve	144,529	0	0	0	144,529
Vehicle Reserve	115,000	676,666	231,713	0	1,023,379
Corporate Plan Priority Reserve	0	201,471	0	0	20,471
Borrowing	0	0	0	0	0
Direct Revenue Financing	14,000	0	0	0	14,000
	5,167,703	7,742,119	537,000	385,000	13,381,822

Further information regarding how the capital programme is financed can be found at **Appendix 2**.

- 1.16 The Council has borrowing for previous capital expenditure. Debt is only a temporary source of finance, since loans & leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the Minimum Revenue Provisions. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

Table 3: Replacement of prior year's debt finance (Minimum Revenue Provision) in 000's

	2020/21 Actual	2021/22 Estimate	2022/23 Budget	2023/24 Budget	2024/25 Budget
Revenue Resources	99	101	103	105	108
Capital Resources	0	0	0	0	0
Total	99	101	103	105	108

The Council's full **minimum revenue provision statement** is shown at **Appendix 3**.

- 1.17 The Councils' cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the Minimum Revenue Provision and capital receipts to replace debt. Although there is no new borrowing for this programme, the Council does have debt relating to historic capital expenditure. The CFR is expected to reduce over the life of the programme as there is no new borrowing and MRP is continued to be provided for.

Table 4: Prudential Indicator - Capital Financing Requirement in 000's

	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25
	Actual	Estimate	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
General Fund Services	5,552	5,450	5,348	5,243	5,135

- 1.18 To ensure that capital assets continue to be of long term use, the Council has an Asset Management Strategy in place.
- 1.19 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Authority estimates to receive capital receipts as outlined below.

Table 5: Capital Receipts receivable in 000's

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
Capital Receipts	0	100	150	50	0

The out-turn report for 2020/21 reported £57k received as capital receipts during this period. The receipts related to 2020/21 but were received in 2021/22 and were not accrued for so will form part of the 2021/22 capital receipts.

Treasury Management

- 1.20 Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending, while managing the risks involved. Surplus cash is invested until required, whilst a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. As discussed in the Treasury Management Strategy, the Council forecasts to be slightly over-borrowed in 2023 and, therefore, it will have surplus funds to invest. Due to decisions in the past, the Authority currently has borrowing at rate of 4.1% and £29m treasury investments at an average of 0.15%.

Borrowing Strategy

- 1.21 The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher. The current capital programme does not indicate new borrowing is required at this stage.
- 1.22 Projected levels of the Council's total debt outstanding debt is shown below compared to the Capital Financing requirement.

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £000

	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25
	Actual	Estimate	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
Debt	5,450	5,450	5,450	5,450	5,450
Capital Financing Requirement	5,552	5,450	5,348	5,243	5,135

- 1.23 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short term. The Council borrowed £5.45m as a maturity loan, which is not due for repayment until 2056. In accordance with sound accounting practice the Council has annually set aside amounts for the repayment of debt called the Minimum Revenue Provision. As shown in the table above, this has the impact of reducing the CFR. The Council's expenditure plans do not currently imply any need to borrow over the forecast period. The debt is higher than the CFR due to the loan being paid at maturity and is a timing issue and therefore acceptable in these circumstances.
- 1.24 The Liability Benchmark compares the Council actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This is discussed further within the Treasury Management Strategy at paragraph 1.11.

Affordable Borrowing Limit

- 1.25 The Council is legally obliged to set an Affordable Borrowing Limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower 'operational boundary' is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £'000

	2020/21 Limit	2022/23 Limit	2023/24 Limit	2024/25 Limit
Authorised limit – borrowing	11,000	11,000	11,000	11,000
Authorised limit – Finance leases	1,000	1,000	1,000	1,000
Authorised limit- total external debt	12,000	12,000	12,000	12,000
Operational Boundary – borrowing	8,000	8,000	8,000	8,000
Operation Boundary - Finance leases	1,000	1,000	1,000	1,000
Operational Boundary total - external debt	9,000	9,000	9,000	9,000

- 1.26 As discussed at paragraph 1.4, a change in accounting for Leases (IFRS16) is due to be introduced. This will require all leases (both operating and finance leases) will to be brought onto the balance sheet as a "right of use asset" if the asset has a lease term of greater than 12 months and is valued at more than £10,000. The Council currently has a number of operating leases of significant value which will increase the amount of debt liability. This will have an impact on the Affordable Borrowing Limits from the year of implementation. Once the effect is known a new report will be brought forward for Members' approval.

Treasury Investments

- 1.27 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 1.28 The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is, to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 7 – Treasury Management Investments in 000's

	31.3.2021 Actual	31.3.2022 Forecast	31.3.2023 Budget	31.3.2024 Budget	31.3.2025 Budget
Near-term investments	21,800	20,000	5,500	5,000	5,000
Longer-term Investments	1,000	1,000	3,000	3,000	3,000

The table above assumes that long-term investment will increase by £2m in 2022/23. As outlined in the Treasury Management report –options will be considered further to advice from our Treasury Management advisors. The forecast balances shown above are based upon the cash-flow analysis. There are some elements of income being received (for example additional income to fund COVID business rates reliefs, set asides for debt repayment) that do not currently form part of the Balance Sheet forecast.

Risk Management

- 1.29 The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks. Further details of Treasury Investments are shown within the Treasury Management Strategy, also part of this Agenda.

Investment for Service Purposes

- 1.30 The Council makes investment to assist local public services, in this case by making loan to service providers. The Council intends to loan to Hurst Farm Social Club of £110k (£40k in 2021/22 and £70k in 2022/23). Further detail is outlined with the **Corporate Investment Strategy at Appendix 1**

Commercial Activities

Update in respect of Public Works Loan Board (PWLB)

- 1.31 Over the past 5-7 years Local Authorities have spent considerable sums (in excess of £6.6bn) on acquiring commercial property as they strived to generate returns to fund General Fund budget pressures.
- 1.32 HM Treasury state that the purpose of PWLB lending is to support public works. The Treasury do not consider 'debt for yield' schemes to fall into this category, and states that such activity presents risks in terms of stability of the income, puts unmanageable pressure on PWLB and distort local and regional markets.
- 1.33 In light of this, the changes to PWLB lending terms are as follows:
- To require authorities that wish to borrow from the PWLB to confirm that they do not plan to buy investment assets primarily for yield;
 - To publish guidance defining the activity that the PWLB will no longer support, with clear protections for service delivery, regeneration and the re-financing of existing debt, and
 - To standardise the information currently gathered through the application process for the PWLB certainty Rate and use this as primary way to confirm that authority plans conform to the guidance.
- 1.34 The implications for the Council should it require future PWLB funding are:-
- The Council must provide their high level capital programme to the former MHCLG.
 - The Council must provide assurance from their s.151 Officer that they will not borrow in advance of need, and that the authority has no intention to buy commercial assets primarily for yield.
 - There will be no access to new PWLB loans in a financial year if an authority has commercial yield assets anywhere in its capital programme.
 - This applies to local authority-owned companies/joint ventures. (The Council has neither).
 - Breaches may result in repayment of loans on demand, plus early repayment penalties.
- 1.35 The following categories of are allowable for the purposes of access to PWLB borrowing:

Available Capital Spend	
SERVICE SPENDING	Anything captured in the standard central government capital return forms i.e. education, highways & transport, social care, public health, culture & related services, environmental & regulatory services, police, fire & rescue
HOUSING	Land release, housing delivery, subsidising affordable housing.

REGENERATION	<p>Schemes featuring one or more of the following characteristics</p> <p>Addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector.</p> <p>Preventing a negative outcome, including through buying and conserving assets of community value that would otherwise fall into disrepair.</p> <p>Involving or generating significant additional activity that would not otherwise happen creating jobs and/or social or economic value.</p> <p>Rents are recycled within the project or applied to related projects with similar objectives, rather than applied to wider services.</p>
REFINANCING	<p>Restructuring or extending existing debt from any sources; including internal borrowing. Funding via source then seeking to refinance via PWLB is 'not something the Council should deliberately do'.</p>

- 1.40 'Investment assets bought primarily for yield' are not allowable anywhere in the Council's capital programme for the purposes of accessing PWLB borrowing. HM Treasury considers characteristics of such schemes to be as follows:

Non-allowable Capital Spend	
INVESTMENT ASSETS BOUGHT PRIMARILY FOR YIELD	<p>One or more of the following;</p> <p>Buying land or existing building to let out at market rate.</p> <p>Buying land or building which were previously operated on a commercial basis which is then continued by the Authority without any additional investment or modification.</p> <p>Buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as completion of land assembly.</p>

- 1.41 The Council has 3 retail sites which were acquired via ground leases in 1974 and are within the Council's boundary. These have been determined as investment properties for accounting purposes and are held primarily to generate a profit, although it may also be argued that the sites do contribute to the economy of the area. No borrowing has been undertaken to acquire an interest in these sites. The sites have been included as commercial assets for the purpose of Corporate Investment Strategy.
- 1.42 The previous Corporate Investment Strategy included the Bakewell Road Development (conversion of market hall to a cinema plus retail unit) as a commercial asset, one held for yield-generating purposes. However, the Bakewell Road project's primary focus is to regenerate the Matlock Town centre and the yield from the operating development is important but not the primary reason for the project.
- 1.43 The financing of the project is being undertaken using capital receipts and reserves and there is no internal or external borrowing. The Bakewell Road Development is considered eligible capital spend as outlined in the table above and therefore should not prevent the Council from applying for PWLB funding in the future to fund the overall capital programme.

Liabilities

- 1.44 In addition to debt of £5.45m of borrowing debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £28m at 31st March 2021).

Governance

- 1.45 Decisions on incurring new discretionary liabilities are taken by the Corporate Leadership Team in consultation with the Director of Resources, and are then reported to full Council for approval. The risk of liabilities crystallising and requiring payment is monitored by the Financial Services Team and reported quarterly to Corporate Leadership Team.

Revenue Budget Implications

- 1.46 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget
Financing Costs (£000)	406	462	469	472	474
Proportion of net revenue	3.83%	4.38%	3.93%	4.29%	4.23%

Sustainability

- 1.47 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable.

Knowledge and Skills

- 1.48 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Resources is a qualified accountant with over 30 years' experience and the Financial Services Manager is a qualified accountant. The Principal Accountant is new in post therefore treasury management training is being given.
- 1.49 Where Council staff members do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite

Risk Management for the Capital Strategy

- 1.50 Significant risks associated with individual capital projects are identified in the business case and in the policy committee report associated with the bid, as well as in departmental risk registers.

The most significant risks to the achievement of the overall capital programme are:

- Forecast capital receipts may not be achieved;
 - The danger of overspending on capital schemes with no available finance to meet the overspending;
- Budgets for individual projects may be insufficient when tenders are received;
- Availability of funding for future capital projects (though the current programme is fully financed) means that the Council's future ability to finance mandatory Capital expenditure, such as Disabled Facility Grants, will need to be kept under review and the amount available might be insufficient to deal with unforeseen capital expenditure, for example, if there was an unexpected structural damage to an asset that required repair.

- 1.51 The Council unanimously approved a Climate Change strategy and Action plan in October 2020 designed to ensure that the Authority meets its target of being net zero in respect of its own emissions by 2030. Some key projects are already contained with the current Capital Programme to help meet this objective but more are being explored and developed e.g. Electric Vehicles, Solar Farm. With the Council's depleting capital receipts and reserves, it may be necessary to consider borrowing (internal or external) for future updates of the Capital Programme to achieve the Council's objectives in this respect.

2 RISK ASSESSMENT

2.1 Legal

The report complies with best practice and government guidance on the preparation of the Capital & Treasury Monitoring Statement. The legal risk is therefore low.

2.2 Financial

Financial Information is contained within the report. The financial risk of this report is assessed as low.

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 Climate Change:

Capital Strategy 2022/23

The strategy, as set out in Appendix One, supports the aims of delivering the approved Climate Change Strategy and Action Plan as per the comments in 1.51. It should be noted that:

The Council will continue to bid for capital grants when opportunities arise. Attracting ongoing external grant funding will be critical if the Council is to achieve the aim of being Net Zero in respect of its own emissions by 2030;

Finance leases will be considered as a method of future capital financing where they can be shown to be 'cost effective, prudent, affordable and sustainable'. This level of flexibility will be essential, particularly when considering the future vehicle replacement programme as the Council shifts to operating electric vehicles in the fleet.

Detailed comments were provided on the original capital programme report, received at Council on the 27th January, and in respect of the project relating to the conversion of the former market hall in Matlock, to the Community and Environment Committee on 1 March 2021

Minimum Revenue Provision policy

No comments

Corporate Investment Strategy for 2022/23

It is noted that no significant changes to either strategy are recommended for 2022/23 and that the objective of the Commercial Investment Strategy is to establish a framework for the identification of commercial investments which, if made, would provide the Authority with an income stream. This aligns with the approved Climate Change Strategy and Action Plan, which identified that the Council could consider

generating revenue through the sale of renewable energy generated by ground mounted solar PV arrays in the long term.

4 CONTACT INFORMATION

4.1 For further information contact:

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5 BACKGROUND PAPERS

5.1 None

6 ATTACHMENTS

6.1 Appendix 1 – Corporate Investment Strategy.

Appendix 2 – Capital Strategy Sources of Financing Statement

Appendix 3 – Minimum Revenue Provision.



CORPORATE INVESTMENT STRATEGY 2022/23

1. Background and Introduction

- 1.1 This strategy outlines the Authority's Investment Strategy for 2022/23 for consideration and approval by Council before the start of the financial year.
- 1.2 The Authority's Treasury Management Strategy, Capital Programme, Capital Strategy and Minimum Revenue Provision (MRP) Policy are addressed elsewhere.
- 1.3 The Authority invests its money for three broad purposes:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.4 This Corporate Investment Strategy meets the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

2. Treasury Management Investments

- 2.1 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and to suppliers, benefit claimants etc.). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £8m and £21m during the 2022/23 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities and to generate income while having regard to security and liquidity.

Further details: Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the Treasury Management Strategy, available on the Authority's website.

3. Service Investments

3.1 Service Investments: Loans

3.1.1 **Contribution:** The Authority has powers to lend money to any subsidiaries, its suppliers, business partners, parish and town councils, local charities, registered providers (formerly known as housing associations), its employees and to community groups to support local public services and stimulate local economic growth. For example, the Authority may give a loan to a local community group who are undertaking a project to deliver affordable housing. The capital programme approved in March 2022 includes one service loan of £110,000 (£40k in 2021/22 and £70k in 2022/23).

3.1.2 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes

Category of borrower	31.3.2021 Actual			2022/23
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0	0	0	£500,000
Town and parish councils	0	0	0	£500,000
Business partners	0	0	0	£1m
Local charities	0	0	0	£500,000
Local community groups	0	0	0	£500,000
Registered Providers (Housing associations)	0	0	0	£1m
TOTAL	0	0	0	£4m

3.1.3 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. In respect of the loan mentioned above, the value in Authority's statement of accounts from 2021/22 onwards will be shown net of this loss allowance. However, officers will make every reasonable effort to collect the full sum lent and will put in place appropriate credit control arrangements in place to monitor payments and to recover overdue payments.

3.1.4 **Risk assessment:** The Authority will assess the risk of loss before entering into and whilst holding service loans, using the following approach:

1. The Authority will consider a comprehensive business case and business plan for each individual potential investment opportunity. This will include a market analysis focussing on competition, demand and current market trends.

2. To ensure that it has access to quality advice and expertise in specialist areas, the Authority will use external advisers where appropriate. This may include an assessment of the particular market that the Authority will be competing in, the nature and level of competition, an assessment of how the market/customer needs will evolve over time, barriers to entry and exit, legal and taxation issues and any ongoing investment requirements (such as a credit reference check). Each potential investment will undergo qualitative and quantitative appraisal to establish its relevance to the Authority's Corporate Plan priorities and the legal and financial implications of the purchase.

3.2 Service Investments: Shares

- 3.2.1 **Contribution:** The Authority currently has an equal share in the Derbyshire Building Control Partnership, along with 5 other local authorities, to support local development by delivering a local service. The Authority has powers to invest in the shares of any subsidiaries, its suppliers, and business partners to support local public services and stimulate local economic growth.
- 3.2.2 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes

Category of company	31.3.2021 Actual			2022/23
	Amount invested	Gains or losses	Value in accounts	Approved Limit
Derbyshire Building Control Partnership	£1	0	£1	£1
Business Partners	0	0	0	£500,000
TOTAL	£1	0	£1	£500,001

- 3.2.3 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding shares by using the following approach:
 1. The Authority will consider a comprehensive business case and business plan for each individual potential investment opportunity. This will include a market analysis focussing on competition, demand and current market trends.
 2. To ensure that it has access to quality advice and expertise in specialist areas, the Authority will use external advisers where appropriate. This may include an assessment of the particular market that the Authority will be competing in, the nature and level of competition, an assessment of how the market/customer needs will evolve over time, barriers to entry and exit, legal and taxation issues and any ongoing investment requirements (such as a credit reference check). Each potential investment will undergo qualitative and quantitative appraisal to establish its relevance to the

Authority's core values and the legal and financial implications of the purchase.

- 3.2.4 **Liquidity:** Based on the approved limit in Table 2 the funds will not be required in the short term and may prudently be committed for the periods covered by this strategy.

- 3.3 **Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

4. Commercial Investments: Property

- 4.1 The government (DLUHC) defines property to be an investment if it is held primarily or partially to generate a profit.
- 4.2 **Contribution:** The Authority currently holds three retail sites with the intention of generating income that will be spent on local public services. The main property investments that are held are shown in the table below:

Table 3: Property held for investment purposes

Property	Actual	Actual 31.03.21		Expected 31.03.22	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Retail Site 1	n/a*		£1,210,000		£1,210,000
Retail Site 2	n/a*		£112,000		£112,000
Retail Site 3	n/a*		£128,000		£128,000
TOTAL			£1,450,000		£1,450,000

*The council acquired ground leases for investment properties in 1974.

- 4.3 **Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

Where the value in accounts is at or above purchase cost a fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2021/22 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the

loss on the security of investments and any revenue consequences arising therefrom.

4.4 **Risk Assessment:** The risk is low as there are no outstanding borrowing associated with their acquisition.

4.5 **Future commercial Investments:** With effect from 1st April 2022, the Council shall not acquire Commercial Assets bought primarily for yield.

Acquisition and development of property will be with the primary aim of strategic regeneration, business growth, job creation and enhancing social or economic value with secondary aims of achievement of a financial return in order to contribute to the costs of investment and provide for whole-life asset maintenance costs and future fluctuations in property income.

5 Loan Commitments and Financial Guarantees

5.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and, therefore, are included in this Strategy for completeness.

5.2 The Authority has contractually committed to make a Loan of £110,000 to Hurst Farm Social Club in 2021/22 to support regeneration of the building, this will be repaid to the council by March 2023.

6 Proportionality

6.1 For 2022/23 the Authority's revenue budget includes some income arising from profit-generating investment activity. Table 6 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Authority's contingency plan for continuing to provide these services is to use the General Reserve, which is forecast to have a balance of £900,000 at 31 March 2022.

Table 6: Proportionality of Investments

	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Budget £'000	2023/24 MTFP £'000	2024/25 MTFP £'000
Gross service expenditure	31,726	30,264	29,301	29,887	30,485
Investment income	101	101	101	101	101
Proportion	0.32%	0.33%	0.34%	0.34%	0.33%

7 Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

8 Capacity, skills and culture

- 8.1 This Authority recognises the importance of ensuring that all Elected Members and Officers involved in investment decisions are fully equipped to undertake the duties and responsibilities allocated to them and have the appropriate capacity, skills and information to enable them to make informed decisions e.g. as to whether to enter into a specific investment. There is a requirement to understand:
- the context i.e. the Authority's corporate objectives
 - the Authority's risk appetite and risk assessment framework
 - the prudential framework
 - the regulatory regime in which the council operates.
- 8.2 Officers: The Authority will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The following measures are in place:
- Identification of officer training needs on commercial investment related issues through the Performance Development and Review process;
 - Attendance at relevant training events, seminars and workshops; and
 - Support from the Authority's treasury management advisors, Arlingclose.
- 8.3 Elected Members: Elected members' training needs are assessed through the Member Development Group. The Authority will also specifically address this important issue by:
- Periodically facilitating workshops or other training for members on investment issues;
 - Interim reporting and advice to members.
- 8.4 Where necessary the Authority will engage external advisers for investment advice, property surveys and due diligence checks. The cost of any such advice will be taken into account when developing business cases and when assessing the overall viability of projects.
- 8.5 It is important that the Authority has sound arrangements in place to ensure accountability, responsibility and authority for decision making on investment

activities within the context of the Authority's values. Full Council is responsible for the approval of the Corporate Investment Strategy and for monitoring performance against it.

8.6 The Authority's values include transparency in decision-making. To facilitate that, the following arrangements are in place:

- This Corporate Investment Strategy will be made available on the Authority's website;
- Meetings of Policy Committees and Full Council will be open to the public and the agendas and minutes from such meetings will be shown on the Authority's website.

9. Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

9.1 **Total risk exposure:** The indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 7: Total investment exposure £ Millions

Type of investment	31.03.21 Actual £ Millions	31.03.22 Forecast £ Millions	31.03.23 Forecast £ Millions
Treasury management investments	22.5	19	13
Service investments: Loans	0	0.04	*0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS	22.5	19.04	13
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	22.5	19.04	13

*Loan to repaid before end of 2022/23.

10 How investments are funded

The Authority does not have any investments which are funded by borrowing.

- 10.1 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table8: Investment rate of return (net of all costs)

Type of investment	31.03.21 Actual	31.03.22 Forecast	31.03.23 Forecast
Treasury management investments	0.16%	0.15%	0.15%
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	6.9%	6.9%	6.9%



SOURCES OF FINANCING FOR THE CAPITAL PROGRAMME

Sources of Capital Finance

Decisions on capital spending are made against the background of diminishing resources. The main sources of capital finance available to the Council are:

Capital Grants and Contributions

Grants are generally awarded to finance specific projects. Grants may be received from central government or other organisations. Some grants come with the expectation of “match funding” from the Council.

The Council will continue to bid for capital grants when the opportunity arises

Developer contributions, usually derived from Section 106 agreements, are awarded to mitigate the impact of developments on communities. These contributions are usually earmarked for specific purposes in planning agreements and often relate to infrastructure projects or affordable housing schemes.

The Council will continue to seek section 106 contributions when appropriate.

Another type of developer contribution is the Community Infrastructure Levy. The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. Development may be liable for a charge under the Community Infrastructure Levy (CIL) if the local planning authority has chosen to set a charge in its area. Derbyshire Dales District Council has not set a Community Infrastructure Levy. Instead, a Developer Contributions Supplementary Planning Document (SPD) has been adopted by the Council.

Officers will periodically monitor the financial viability of development across the District and the Developer Contributions SPD.

The Council is committed to working with partners (e.g. housing associations) to provide assets. Various mechanisms provide opportunities to enhance the Council's investment potential with support and contributions from other organisations and partners. These may be through match funding, joint funding etc.

A report to Council in December 2018 pointed out that the funding environment is changing dramatically and new approaches need to be explored

The Council will continue to seek private sector investment. Should opportunities arise, officers will explore new approaches for capital contributions, such as joint ventures, and will prepare reports for Members' consideration.

Capital Receipts

Capital receipts are derived from the sales of assets. At Derbyshire Dales District Council this includes a share of receipts from the sale of former council houses, negotiated as part of the stock transfer in 2002, known as the Right to Buy Sharing Agreement. As the Council reviewed its assets some years ago, and disposed of surplus assets at that time, the scope for future capital receipts, other than those under the Right to Buy Sharing Agreement, is limited.

Sometimes a third party will approach the Council with a request to purchase a particular asset, usually land. Each of these opportunities will be explored to identify whether it is in the Council's best interests to agree to a disposal, which would generate a capital receipt.

Subject to Members' approval, the Council will dispose of surplus capital assets to generate capital receipts where there is a sound business case taking into account issues such as financial implications (revenue and capital) and service delivery.

Prudential Borrowing

The Council's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under the Code local authorities are allowed to set their own limits on the amount that may be borrowed to finance capital expenditure, provided that it is, and can be shown to be, prudent, affordable and sustainable. This method of financing capital expenditure is called "prudential borrowing".

In order for borrowing to be prudent, affordable and sustainable, there must be an identifiable, long-term source of revenue funding for the associated revenue (debt financing) costs. In some cases this will come from revenue savings or additional income

arising directly from the capital scheme. For example, building a new car park could generate income through charges. In other cases, there will be no direct additional income or cost saving (but the scheme meets a corporate priority) so the Council will need to ensure that the cost of borrowing will be affordable to the Council's revenue account in the long term.

There could be circumstances where the Council will consider borrowing to then provide loans to other organisations, such as for economic development. This is treated as capital expenditure and funded through borrowing. Officers will explore such schemes and seek Council approval.

The Council is required to make provision for the principal repayment of borrowing; this is known as a Minimum Revenue Provision (MRP). The Council has to prepare an annual statement of its policy on making MRP, and this is reported to Council for approval (elsewhere on the agenda for this meeting).

In future years, new borrowing could be a realistic way of funding capital expenditure. However, in order to meet the Prudential Code, the Council would have to identify sustainable income streams or re-examine its revenue spending priorities in order to generate sufficient revenue capacity to make new borrowing affordable.

Prudential borrowing will be considered as a method of capital financing provided that it is, and can be shown to be, prudent, affordable and sustainable.

Internal (self-funded) borrowing

Internal borrowing is a treasury management practice, whereby an authority delays the need to borrow externally, by temporarily using cash it holds for other purposes, such as funds held in earmarked reserves. This allows the authority to avoid paying interest costs until the original expenditure planned for the 'borrowed' cash falls due.

The estimated figure of gross internal borrowing is a cumulative measure of the potential liabilities from this form of financing at any point in time.

While there is an expectation that internal borrowing needs to be repaid, it does not represent a formal debt which necessarily needs to be settled in full in the same way as external borrowing.

Internal borrowing will be considered as a method of capital affordable and sustainable

Revenue Contributions to Strategic Reserves

The Council has, in previous years and in the 2022/23 budget, made contributions to strategic reserves to provide capital funding. Such reserves include the Capital Programme Reserve, the Vehicle Renewals Reserve and the ICT Reserve. Until recently, such transfers to reserves have generally taken place when a revenue account underspend has been identified, rather than as part of a planned financial strategy. The 2021/22 budget includes £150,000 transfer to the Vehicle Renewals Reserve to fund future vehicle replacements with this increasing to £300,000 per annum thereafter. The 2022/23 budget also includes a contribution of £177,068 to the Capital Programme Reserve to assist funding future requirements.

In order to provide a source of capital finance, especially for the life cycle (replacement) costs of certain key assets that have a limited life expectancy (such as vehicles and play equipment), the Council's Medium Term Financial Strategy includes the following statements:

- i) The MTFP and future revenue budgets should include annual revenue contributions to capital reserves provided that they are affordable;
- ii) Any under-spending on the revenue account will be transferred to strategic reserves used to finance the Capital Programme or "Invest To Save" Initiatives, or to mitigate against future funding pressures.

Strategic capital reserves will be used a method of financing, subject to availability, and (for some reserves) the relevant purpose.

Leasing

With effect from 1st April 2022, there is potentially a change in the accounting standard for operating leases (IFRS16). Where the Council acts as lessee, both operating and finance leases will be brought on to the Balance Sheet as 'a right of use asset' if the asset has a lease term of greater than 12 months and is valued at greater than £10,000.

The use of leases will be considered as a source of future capital funding subject to these being cost-effective when compared to other methods of financing.

Finance leases will be considered as a method of future capital financing where they can be shown to be cost effective (compared to other methods of finance that might be available), prudent, affordable and sustainable.

Order for Use of Resources for the Capital Strategy

The capital funding strategy is intended to set out the order that financing will be utilised. Financing will be allocated in the following order:

1. Capital grants and contributions that are linked directly to a specific capital project e.g. a HCA grant or Disabled Facilities Grants. These will be fully allocated to the relevant project. Projects funded by external grants and contributions will not commence until such funding is definitely secured.
2. Capital receipts that are linked directly to a specific capital project e.g. the proceeds from the sale of an asset that will be used as financing for its replacement. Projects funded by capital receipts will not commence until such funding is definitely secured.
3. Capital grants and contributions that are not linked to a particular project but are for a particular purpose e.g. Section 106 agreements for affordable housing - these will be used as funding for projects that meet the specified purpose ahead of other funding sources. Schemes funded by external grants and contributions will not commence until such funding is definitely secured.
4. Transfers from strategic reserves – these will be used to fund capital expenditure subject to availability, and (for some reserves) the relevant purpose.
5. Capital receipts not directly linked to a particular project, where expenditure is within rules set down by the Government. Schemes funded by capital receipts will not commence until such funding is definitely secured.
6. Internal (self-funded borrowing) - where the capital investment itself will produce revenue savings or additional income, which is sufficient to cover the cost of borrowing to fund the investment.
7. Prudential Borrowing will be used to fund capital investment if the cost of the borrowing is affordable within the overall General Fund revenue projections and if it complies with the Prudential Code.

APPENDIX 3

Minimum Revenue Provision Statement 2022/23

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2018.

The broad aim of the CLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

The following statements incorporate options recommended in the Guidance:

- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments or as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure starting in the year after the asset becomes operational.
- For assets acquired by finance, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24. Based on the Council's latest estimate of capital financing requirement on 31st March 2022, MRP has been determined as follows:

	31.03.2022 Estimated CFR £000	2022/23 Estimated MRP £000
Supported capital expenditure after 31.03.2008	5,450	102

COUNCIL

24 MARCH 2022

Report of the Director of Resources

TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

PURPOSE OF REPORT

This report determines the Treasury Management Strategy Statement for 2022/23.

RECOMMENDATION

That the Treasury Management Strategy Statement for 2022/23 and the Treasury Management Prudential Indicators contained within be approved;

WARDS AFFECTED

All

STRATEGIC LINK

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

REPORT

1 TREASURY MANAGEMENT STRATEGY 2022/23 – 2024/25

Introduction to Treasury Management

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Authority borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy (Appendix 3 to Capital Strategy Report).

External Context

Economic background

- 1.4 The ongoing impact on the UK of the Russia/Ukraine border crisis, coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Council's treasury management strategy for 2022/23.
- 1.5 At its meeting on 2nd February 2022 the Monetary Policy Committee (MPC) voted by a majority of 5-4 to increase Bank Rate by 0.25% to 0.5%. With almost half of the MPC members voting for a hike to 0.75%, it is more likely that further tightening will be announced upon their meeting in the following week, with inflation to peak soon after. This would be the first time the Bank has raised rates for three consecutive meetings since 1997.
- 1.6 Although the hit to households' real incomes, from a bigger surge in CPI inflation than most expect, explains why GDP (Gross Domestic Product) is expected to be slower this year than the consensus forecast, it is expected that the leap in inflation will prompt the Bank of England to raise interest rates further this (calendar) year. The risks are that the labour market remains stronger for longer, CPI inflation stays above the 2% target well into 2023 and the Bank of England raises interest rates further in 2023.

Outlook

- The development of global tension has created major impacts to oil prices, with Western Governments implementing sanctions on Russian oil exports. The outright ban that the US has placed on Russian energy imports and the EU looking to reduce dependency on Russian energy, mean that the UK is already seeing the household effects today. This has only deepened the existing rise in wholesale costs, with experts predicting an even further increase. Although the UK has experienced some fluctuation recently, they have jumped more than 30% since the 24th February, touching £105 a one point. Tighter economic sanctions on Russia and renewed surges in commodity prices, has increased the upside risks to inflation and the downside risks to activity.
- In the UK, Ofgem has confirmed a significant rise in retail energy prices, which will maintain relatively high CPI rates throughout 2022. Supply constraints are also evident in the labour market.
- Underlying wage growth is running above pre-COVID levels despite employment being lower now than in early 2020. Evidence suggests that labour pools have diminished. Higher wage growth will be a contributory factor to sustained above-target inflation this year.
- The lower severity of Omicron means that the economic impact should be limited. The UK economy had a weak Q4 2021 due to the virus, but growth is likely to bounce back in Q1 2022.
- However, higher inflation will dampen demand. In the UK, households face a difficult outlook. Fiscal and monetary headwinds alongside a sharp reduction in real income growth will weigh on disposable income, ultimately leading to slower growth.

Forecast

- The MPC will raise Bank rate further to dampen aggregate demand and reduce the risk of sustained higher inflation. Arlingclose therefore expects the Bank Rate to rise to 0.75% in March and 1.0% in May.
- The Bank of England predicts that UK aggregate income and spending will reduce due to higher goods and energy prices. Households cut back on spending as real incomes decline, due to high inflation and rises in taxes. Some of the decline in real income will be offset by households using accumulated savings to support spending. Demand growth is expected to slow as support from fiscal and monetary policy ebbs compared to previous years.
- As spending growth declines, unemployment is expected to rise, up by about 1% compared to the current 4.1% rate. Slowing growth and rising inflation leads to a margin of spare capacity opening up by the end of 2022 and growing to around 1%.
- CPI inflation is expected to rise further in the near term to a peak of 7.25% in April 2022. This mainly reflects the increase in global prices, with around three quarters of the rise in inflation between December and April due to higher contributions from energy and goods prices. Higher wage settlements place further upward pressure on CPI throughout 2022.

Local Context

- 1.6 On 2nd March 2022, the Council held £5.5m of borrowing and £29m of investments. This is set out in further detail at **Appendix 1**. Forecast changes in the balance sheet analysis are shown in table 1 below:

Table 1: Balance Sheet Summary and Forecast

	31.03.21 Actual £m	31.03.22 Estimate £m	31.03.23 Forecast £m	31.03.24 Forecast £m	31.03.25 Forecast £m
General Fund CFR	5.6	5.5	5.3	5.2	5.1
Less External Borrowing ***	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)
Internal (over) borrowing	0.1	0.0	(0.2)	(0.3)	(0.4)
Less: Useable Reserves	(26.8)	(20.6)	(13.2)	(12.7)	(12.7)
Plus: Working Capital	4.9	4.9	4.9	4.9	4.9
Treasury Investments	(21.8)	(15.7)	(8.5)	(8.1)	(8.2)

**shows only loans to which the Council is committed and excludes optional refinancing.

- 1.7 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

- 1.8 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest CFR over the next three years. The table above indicates that the level of borrowing is slightly higher than the CFR.
- 1.9 The Council borrowed £5.45m as a maturity loan but this is not due for repayment until 2056. The Council also has internal borrowing of £849k for the purchase of wheeled bins. In accordance with sound accounting practice the Council has annually set aside amounts for the repayment of debt called the Minimum Revenue Provision. As shown in the table above, this has the impact of reducing the CFR. The Council's expenditure plans do not currently imply any need to borrow over the forecast period. The debt is higher than the CFR due to the loan being paid at maturity and therefore is a timing issue and therefore acceptable in these circumstances.
- 1.10 Investments are forecast to fall to circa £8m as capital receipts and reserves are used to finance capital expenditure and the revenue budget.

Liability Benchmark

- 1.11 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that the cash investment balances are kept to a minimum level of £5m at each year to maintain sufficient liquidity but minimise risk.

Table 2: Liability Benchmark

	31.03.21 Actual £m	31.03.22 Estimate £m	31.03.23 Forecast £m	31.03.24 Forecast £m	31.05.25 Forecast £m
Net Loans Requirement	(16.3)	(10.2)	(3.0)	(2.6)	(2.7)
Plus: Liquidity Allowance	5.0	5.0	5.0	5.0	5.0
Liquidity Benchmark	(11.3)	(5.2)	2.0	2.4	2.3

As shown in the table 2 above, the Council has a positive 'net loans requirement' during the periods covered; i.e. it has a net surplus to invest after providing for loan repayment. Taking into account the liquidity allowance, the lowest risk level of borrowing is circa £2 to 2.4m over the period 2022/23 and 2024/25. The 'benchmark' is just that and it will change only time and therefore acts as a guide only.

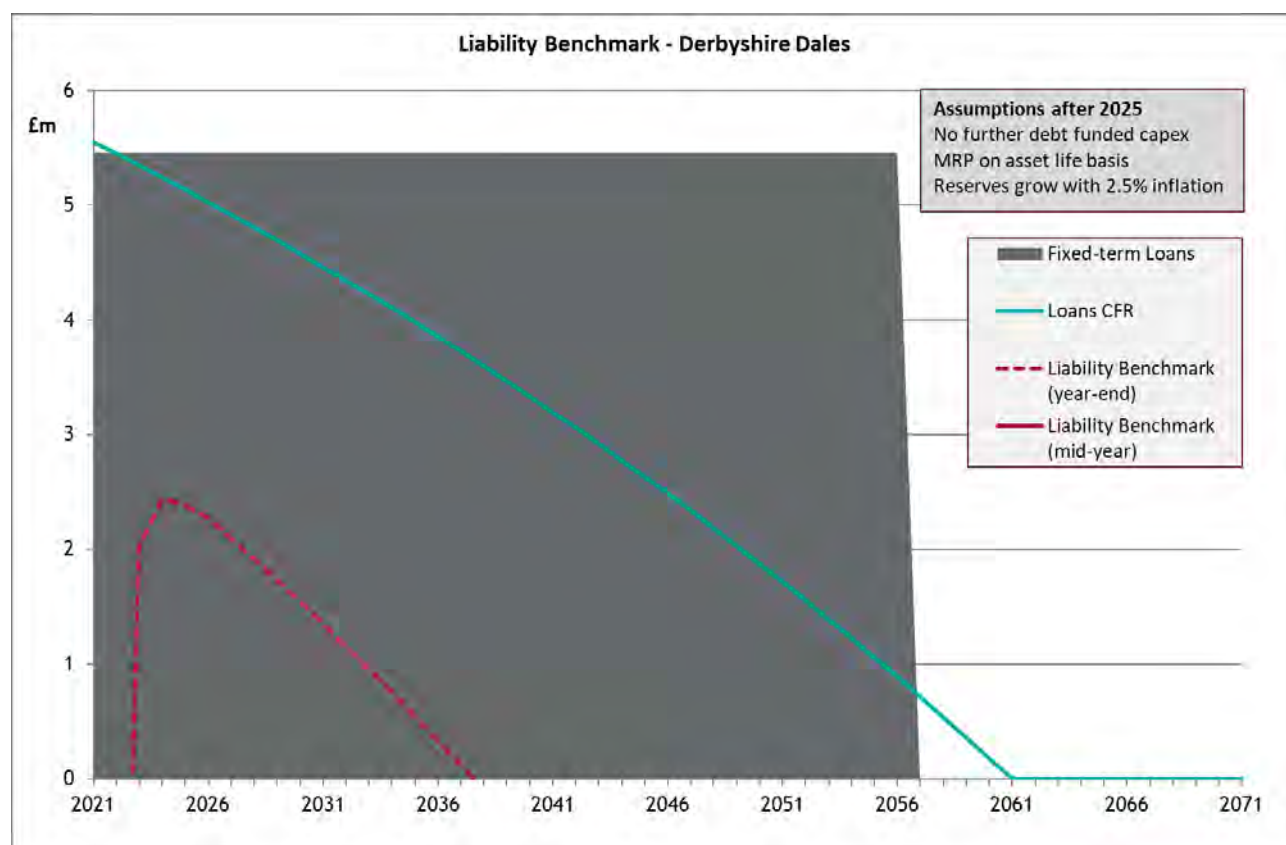
The benchmark indicates borrowing risk of £2m; however as the actual borrowing is currently at £5.5m the risk is covered and there are surplus funds to invest.

- 1.12 Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes:-
- capital expenditure funded by existing and forecast capital receipts, grants and reserves. No new borrowing is forecast based upon the current capital programme plans.

- Minimum Revenue Provision is based upon borrowing for previous capital expenditure based upon asset life.
- income, expenditure and reserves all increasing by inflation of 2.5% a year.

The Liability Benchmark continues to reduce as the CFR reduces and further cash is available for investment until 2056 when the debt is repaid.

Liability Benchmark Chart



Borrowing Strategy

- 1.13 The Council currently holds £5.45 million of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council does not need to borrow in 2022/23. Although not demonstrated as necessary at this point, the Council is able to borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £12 million.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates,

it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead should future borrowing be required.

- 1.14 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in the future with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 1.15 The Authority has previously raised all of its long-term borrowing from the PWLB but will consider long term loans from any sources including banks, pensions and local authorities and will reduce over reliance on one source of funding in line with the CIPFA code. PWLB loans are no longer available to Local Authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 1.16 Alternatively the authority may arrange forward starting loans where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources:

- 1.17 The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except our own Pension Fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 1.18 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback

The Council has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, which may be available at more favourable rates.

Municipal Bond Agency:

- 1.19 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lend the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.

Short-term and Variable Rate loans:

- 1.20 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling:

- 1.21 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

- 1.22 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £19.4 million and £41.8 million, largely due to the substantial funds received from central government for COVID business grants. The Council has also received Section 31 grant to compensate for losses incurred due to a lower Business Rates base, as a result of the Government awarding further discounts and reliefs to businesses. An element of the grant belongs to other Preceptors therefore at the reconciliation stage funds will be required to be returned to the Government. These factors and the growing capital programme will reduce reserves available to invest:-

Objectives: The CIPFA code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2022/23. This had been anticipated in 2021/22 however staff turnover and additional work as a result of COVID prevented this being explored. An in-depth review of longer-term investment opportunities will be undertaken in July 2022. The majority of the

Council's surplus cash remains invested in short-term unsecured bank deposit, the Government and money market firms.

- 1.23 **Approved Counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved Investment Counterparties and Limits for 2022/23

Sector	Time Limit	Counterparty Limit	Sector Limit
UK Government	50 years	Unlimited	n/a
Local Authorities & other government entities	25 years	£4m	unlimited
Secured Investments*	25 years	£4m	unlimited
Banks (unsecured)*	13 months	£2m	unlimited
Building Societies (unsecured)*	13 months	£2m	£4 million
Registered Providers (unsecured)*	5 years	£2m	£10 million
Strategic Pooled Funds	n/a	£4m	£20 million
Money Market funds	n/a	£4m	unlimited
Real estate investment trusts	n/a	£4m	£10 million
Other investments*	5 years	£2m	£4 million

This table must be read in conjunction with the notes below:

- 1.24 **Minimum Credit Rating:** Treasury Investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than (A-) where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality or (b) to a maximum of £2 million per counterparty.

- 1.25 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 1.26 **Secured Investments:** These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- 1.27 **Banks and building societies Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 1.28 **Registered Providers: (unsecured)** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 1.29 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 1.30 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 1.31 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand on the shares as well as changes in the underlying properties
- 1.32 **Other Investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 1.33 **Operational Bank Accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £7 million per bank (the practicalities of making large payments, such as precept payments, on any one day mean that funds of that magnitude will be required in the Council's current account). The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

1.34 Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

1.35 Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from Arlingclose. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

1.36 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

1.37 Investment Limits: The Council's revenue balances available to cover investment losses are forecast to be £2 million on 31st March 2022. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£4m per country

- 1.38 **Liquidity Management:** The Council uses cash flow forecasting spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

Treasury Management Prudential Indicators

- 1.39 The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit	A

- 1.40 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£30m

- 1.41 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	(£290,000)
Upper limit on one-year revenue impact of 1% fall in interest rates	£290,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

- 1.42 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	35%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	65%	0%
5 years and within 10 years	80%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 1.44 **Principal Sums Invested for Periods Longer than 1 year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2022/23	2023/24	2024/25
Limit on principal invested beyond the year end	£5m	£5m	£5m

Related Matters

- 1.45 There are a number of additional items that the Council is obliged by CIPFA or government (DLUHC) to include in its Treasury Management Strategy:

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, allowing it access to a greater range of service but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Director of Resources believes this to be the most appropriate status.

Other Options Considered

- 14.6 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Resources believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

2. RISK ASSESSMENT

2.1 Legal

The report complies with best practice and government guidance on the preparation of the treasury management strategy statement. The legal risk is therefore low.

2.2 Financial

The budget for investment income in 2022/23 is £37,000. The budget for debt interest payable in 2022/23 is £225,000, based on an average debt portfolio of £5.45 million at an average interest rate of 4.1%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different. The financial climate is changing due to the war in Russia, the lasting effect of COVID and recent changes in interest rates.

The 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 There are no perceived direct climate change impacts of the recommendations to approve the Treasury Management Strategy Statement for 2022/23 and the Treasury Management Prudential Indicators. However it should be noted that, as per 1.22, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2022/23. The in-depth review of longer-term investment opportunities to be undertaken in July 2022 should explore the climate change impacts of any investment to ensure that they align with our declaration of a climate emergency.

4 CONTACT INFORMATION

For further information contact:

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5 BACKGROUND PAPERS

None

6 ATTACHMENTS

Appendix 1 - Existing Investment and Debt Portfolio Position

TREASURY MANAGEMENT STRATEGY STATEMENT 2022/32Existing Investment & Debt Portfolio Position

	2nd March 2022 Actual Portfolio £	Average Rate %
External Borrowing		
Public Loans Board	5.450.000	4.1%
Total Gross External Debt	5,450,000	4.1%
<u>Treasury Investments</u>		
The UK Government (Debt Management Office)	11,500,000	0.03%
Bank (unsecured)	854,892	0.01%
Money Market Funds	16,000,000	0.04%
Strategic Pooled Funds:-		
*CCLA Property Fund	1,000,000	3.50%
Total Investments	29,354,892	0.15%
*Amount deposited shown. Bid market valuation. Valuation as at 30/09/21 £954k		

COUNCIL
24 MARCH 2022

Report of the Chief Executive

LOCALISM ACT – PAY POLICY STATEMENT

SUMMARY

This report meets the requirement to publish the Council's Annual Pay Policy Statement.

RECOMMENDATION

1. That the annual Pay Policy Statement 2021-22 is approved.
2. That a revised Pay Policy Statement for 2022-23 be published when the Local Government Pay award for 2022-23 is settled.

WARDS AFFECTED

All

STRATEGIC LINK

Every plan, strategy policy, and action of the District Council's flows from the Corporate Plan. The Corporate Plan is put into effect by service plans, policies and strategies. Through the Performance and Development Review scheme (PDR), employees' activities and appraisals are linked to the Corporate Plan which has regard to the need to deliver high quality customer experience whilst balancing employee welfare, terms and conditions of service.

1. REPORT

- 1.1 The Localism Act, November, 2011, requires relevant authorities to prepare and publish an annual pay policy statement for the coming financial year. The relevant provisions came into force on 15 January 2012 and the Council agreed the first Pay Policy Statement on 2 February 2012. There is a continuing need to review the policy on an annual basis.

The provisions add to the range of transparency obligations already placed upon local authorities i.e. the Accounts and Audit Regulations already require historic expenditure on chief officers within specified pay bands to be disclosed in the accounts.

- 1.2 The Statement must set out the authority's policies for the coming financial year relating to the:

- remuneration of its Chief Officers
- remuneration of its lowest paid employees
- relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers.

The term 'Chief Officer' is defined as

- The Head of Paid Service (who is also the Chief Executive)
- Corporate Director
- The Monitoring Officer (who is also the Director of Corporate & Customer Services)
- Section 151 Officer (who is also the Director of Resources).

1.3 The Statement must cover the Council's policies relating to:

- The levels and elements of remuneration for each chief officer (including salary and any bonuses and benefits in kind)
- Remuneration of chief officers on recruitment
- Increases and additions to remuneration for each chief officer
- The use of performance related pay for chief officers (if any)
- The use of bonuses for chief officers (if any)
- The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- The publication of and access to information relating to remuneration of chief officers

1.4 The Localism Act specifically refers adoption of the Pay Statement to the Council as a responsibility it cannot discharge. It requires the statement to be approved before the end of the 31 March immediately preceding the financial year to which it relates i.e. it must be approved by a resolution of the authority before it comes into force. This is however not always possible as it dependent on the timing of settlement of the national Local Government pay awards.

1.5 The April 2021 national pay award was not settled until 28 February 2022, so a correct Pay Policy Statement for 2021/22 for pay from 1 April 2021 is attached at Appendix 1 of this report. The award has been implemented with back pay in March 2022.

1.6 Negotiations at the national level for the pay award from 1 April 2022 are yet to commence so again, it is not known when these negotiations will be concluded. When they are concluded, it will be necessary to publish a revised a Pay Policy Statement for 2022/23. Until then, the prevailing 2021/22 rates of pay outlined in Appendix 1 will prevail.

2. **RISK ASSESSMENT**

2.1 Legal

The requirement to publish a Pay Statement is contained within Section 38 to 43 of the Localism Act 2011, which came into force on 15 January, 2012. The policy appended to the report complies with all ancillary employment and equalities legislation and satisfies the statutory requirement. The legal risk is therefore low.

2.2 Financial

There are no financial risks arising from this report.

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.

4. **CONTACT INFORMATION**

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5. **BACKGROUND PAPERS**

None

6. **ATTACHMENTS**

Pay Policy Statement 2021/22 as Appendix 1



PAY POLICY STATEMENT FOR 2021/22

INTRODUCTION

Source and scope of policy statement

This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act), which, from 2012 onwards, require local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees (which the Act defines as the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Officers (or Corporate Directors), and the Deputy Chief Officers (i.e. Directors)
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of the most senior employees and that of other employees.

The Secretary of State has produced guidance on the Act's provisions relating to openness and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements. The Council's statement takes full account of this guidance as well as the provisions of the Act.

It also takes account of:

- The Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government in September 2011;
- Guidance issued by the Joint National Council (JNC) for Local Authority Chief Executives on pay policy statements, published in November 2011;
- Employment and equalities legislation affecting local authority employers, where relevant.

Status of policy statement

The pay policy statement will be reviewed on an annual basis.

The pay policy statement can be amended during the course of any financial year, but only by a resolution of the full Council. If it is amended during the year to which it relates, the revised version of the statement will be published as soon as reasonably possible after the amendment is approved by the Council.

The Localism Act specifically refers adoption of the Pay Statement to the Council as a responsibility it cannot discharge. It requires the statement to be approved before the end of the 31 March immediately preceding the financial year to which it relates i.e. it must be approved by a resolution of the authority before it comes into force. This is however not always possible as it dependent on the timing of settlement of the national Local Government pay awards.

The April 2021 national pay award was not settled on 28 February 2022, so a correct. Pay Policy Statement for 2021/22 for pay from 1 April 2021 is attached at Appendix 1 of this report. The award has been implemented with back pay in March 2022.

Negotiations at the national level for the pay award from 1 April 2022 are yet to commence so again it is not known when these negotiations will be concluded. When they are, a Pay Policy Statement for 2022/23 will be published. Until then, the rates in this Statement will prevail.

Transparency and autonomy

The Council recognises and welcomes the aim behind this pay policy statement to ensure that its approach to pay is accessible for all and to enable local people to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

It also welcomes the government's recognition that each local authority remains an individual employer in its own right, and, as such, has the autonomy to make decisions on pay that are appropriate to local circumstances and deliver value for money for local taxpayers.

This Statement is divided into seven sections:

- | | |
|-----------|--|
| Section 1 | Provides details of the remuneration of the District Council's senior officers. |
| Section 2 | Provides details of the remuneration of the District Council's lowest paid and other employees. |
| Section 3 | Shows the relationship of pay levels and provides comparative pay in accordance with requirements of the act. |
| Section 4 | Provides details of policies applied as appropriate across all categories of the District Council's employees. |
| Section 5 | Explains the basis of the District Council's decision making on remuneration. |
| Section 6 | Covers the Pay Policy period. |
| Section 7 | Details the District Council's commitment on publication and transparency. |

SECTION 1: REMUNERATION OF THE COUNCIL'S SENIOR EMPLOYEES

1.1 REMUNERATION COVERED IN THIS SECTION OF THE POLICY

This section covers the Council's policies in relation to the remuneration of its senior employees, including:

- Its Chief Executive and Head of Paid Service;
- Its first tier officer i.e.
 - Corporate Director,
- Its second tier officers i.e.
 - Director of Resources (Section 151 Officer), Director of Corporate & Customer Services (Monitoring Officer), Director of Regeneration & Policy, Director of Regulatory Services, Director of Housing, Director of Community & Environmental Services.

1.2 CONTEXT

These senior employees are responsible for working with elected politicians to determine the overall strategic direction of the Council, to develop the scale, nature, efficiency and effectiveness of all the services provided by the Council, and to provide day-to-day management of those services.

1.3 OVERALL POLICY ON REMUNERATION FOR SENIOR ROLES

The Council's overall approach to remuneration for its senior employees is based on:

- Compliance with equal pay, equalities and other relevant employment legislation, plus
- Ensuring that its overall remuneration packages align with market norms for the local government and public sectors, whilst at the same time, taking account of
 - Pay levels in the local area, including neighbouring public sector employers;
 - The responsibilities and accountabilities of particular posts which may be very demanding
 - The Collective Agreement that ensures the harmonisation of pay and working conditions.

The Council seeks to maintain this overall approach by carefully monitoring pay data provided by the Joint National Councils (JNCs) for Chief Officers and Chief Executives, the Local Government Association/Employers, and other pay surveys.

In terms of pay differentials, the Council recognises that the role of Chief Executive/Head of Paid Service leads the organisation's workforce and has the greatest level of accountability, and so warrants the highest pay level in the organisation.

At first tier level the Council recognises this role is more demanding than others, and has identified those with a greater level of accountability through job evaluation and careful analysis of job demands and offers them levels of remuneration appropriate to their role.

Below this level, the Council recognises that the demands on and accountabilities of different management roles vary considerably, and seeks to align pay levels with the relative importance and responsibilities of jobs using a process of job analysis and evaluation.

1.4 THE REMUNERATION OFFERED TO SENIOR EMPLOYEES

At Chief Executive and first and second tier levels, the Council offers an annual salary, access to the Local Government Pension Scheme and a range of other benefits, as shown in the table at paragraph 4.

Annual salaries

Annual salary levels for senior employees are set in accordance with the overall principles set out in section 1.3 above. They consist of a grade range which is determined locally by the Council. This grade range consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached.

The salary ranges from 1 April 2021 were announced on 1 March 22 backdated to 1 April 2021 in line with the nationally agreed local government pay award for 2021/22. The Chief Executive and Chief Officers award was 1.5% and all remaining staff (all on the 'Green Book' Local Authority Terms and Conditions of Employment) at 1.75%.

Chief Executive & Head of Paid Service: £104,576 to £110,978

Corporate Director – £78,415 to £90,072

Senior Manager - grade 17: £69,740- £75,257

Senior Managers - grade 16: £63,010- £67,991

Senior Managers - grade 15: £56,926- £61,431

Senior Manager - grade 14: £51,431- £55,503

Remuneration of Senior Employees on Recruitment

The Council's policy is that any newly appointed senior manager will start at the lowest pay point in the pay range for their job, other than when the particular skills and experience of the successful candidate merit a higher starting salary.

Pay awards

The salaries of senior employees will be increased in line with any pay increase agreed in the Joint National Councils (JNCs) for Chief Executives, Chief Officers or National Joint Council (NJC) for Local Government for all other staff.

“Earn back” pay

The Council notes the suggestion in the Hutton Review of Fair Pay in the Public Sector, published in March 2011, for the introduction of “earn back” pay (a system where an element of a manager's pay is “at risk” if a certain level of performance) is not met. The introduction

of “earn back” pay within the Council’s current pay systems, as a way of relating pay levels to performance, is not an approach that would be compatible with its current pay policy.

1.5 RE-ENGAGEMENT OF CHIEF OFFICERS

Re-engagement as employees or under a contract for services

It is the policy of the Council not to re-employ former employees granted voluntary redundancy or any other enhanced severance package, including former Chief Officers or Directors. In exceptional cases, and only where there is a clear benefit to the Council, such former employees may be re-engaged on a short term contract for service.

Employment of those in receipt of an LGPS pension

Where in the unlikely event that the Council employs as a Chief Executive, Corporate Director or Director who is in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council’s Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the the Local Government Pension Scheme (Administration) Regulations 2008 will be applied. Such persons would only be employed following strict application of the normal process of competitive selection for employment.

1.6 PUBLICATION OF DETAILS OF EMPLOYEE REMUNERATION

In accordance with 39 (5) of the Localism Act, this pay policy statement will be published on the Council’s website. It will also be published in the Council’s Constitution and the District Council’s intranet.

The Council is also required to publish information about the remuneration of senior officers under The Accounts and Audit (Amendment No. 2) (England) Regulations 2009 and the Code of Recommended Practice for Local Authorities on Data Transparency, issued under Section 2 of the Local Government Planning and Land Act 1980. This latter information can be obtained via the Council’s website.

SECTION 2: REMUNERATION OF LOWEST PAID EMPLOYEES

This section sets out the Council’s policies in relation to the remuneration of its lowest-paid employees, as defined in this pay policy statement.

2.1 OVERALL REMUNERATION POLICY: LOWEST PAID EMPLOYEES

Aims, Objectives and Key Principles

The Council aims to develop, implement and maintain fair and equitable remuneration arrangements which enable it to recruit, retain, motivate and develop staff with the skills and capabilities necessary to ensure the continued provision of high quality services and which are cost effective and provide value for money.

The Council’s remuneration policy complies with all equal pay, equalities and other relevant employment legislation.

When setting pay levels for specific posts the Council takes account of internal differentials, as measured by job evaluation.

2.2 DEFINITION OF LOWEST PAID EMPLOYEES

The definition of the “lowest-paid employees” adopted by the Council for the purposes of this statement is as follows:

The lowest paid employees within the Council are those substantive employees who are paid on the minimum salary point of the Council’s substantive pay structure, i.e. spinal column point (SCP) 1, of local grade 2.

The current annual full-time equivalent value of this pay level, based on a 37 hour standard working week, for the financial year 21/22 was £18,333 SCP 1.

The Council considers this to be the most appropriate definition as this is the lowest pay point/pay level on its substantive pay structure and which normally applies to new entrants to the lowest graded jobs within the organisation.

2.3 REMUNERATION OF LOWEST PAID EMPLOYEES

For the purposes of this policy statement, remuneration includes the employee’s basic annual salary and any bonuses, allowances or other similar payments, benefits in kind, any increases or enhancements to any pension entitlement and any termination or other severance payments.

Pay structure

The basic pay of the Council’s lowest paid employees comprises a grade range derived from the revised national pay spine, as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. This grade range consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached.

Craft Employees

There are no employees on pay and conditions of service for craft employees as determined by the Joint Negotiating Committee for Local Authority Craft & Associated Employees.

Other elements of remuneration

The other elements of remuneration which it is the Council’s policy to offer its lowest paid employees are set out in the table set out in Section 4.

2.4 OTHER TERMS AND CONDITIONS

The other terms and conditions which apply to the Council’s lowest paid employees are as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service, as amended and/or supplemented by any local agreements which may apply.

2.5 REMUNERATION OF EMPLOYEES WHO ARE PAID MORE THAN THE LOWEST PAID EMPLOYEES BUT WHO ARE NOT CHIEF OFFICERS

The Council's policy and practice with regard to the remuneration of employees who are paid more than its lowest paid employees but who are not Chief Officers is the same as that which applies to its lowest paid employees.

2.6 EMPLOYEES WHO ARE PAID LESS THAN THE COUNCIL'S LOWEST PAID EMPLOYEES, AS DEFINED IN THIS PAY POLICY STATEMENT

Apprentices are paid a rate outside the local government pay spine. The Council's Apprenticeship pay is the National Apprenticeship rate plus 10% in year 1 then the National Minimum Wage for the age of the Apprentice in any subsequent years as an Apprentice plus 10%. The Council applies this pay rate and/or different remuneration arrangements to this category of employees, to reflect the particular nature and/or duration/frequency of their employment.

SECTION 3: PAY RELATIONSHIPS

- 3.1 This section sets out the Council's overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation, including the current pay multiple which applies within the Authority, and its policy toward maintaining or reaching a specific pay multiple in the future.
- 3.2 The Council believes that the principle of fair pay is important to the provision of high quality and well-managed services and is committed to ensuring fairness and equity in its remuneration practices. The Council's pay policies, processes and procedures are designed to ensure that pay levels are appropriately aligned with, and properly reflect, the relative demands and responsibilities of each post and the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard, as well as taking account of relevant market considerations. This includes ensuring that there is an appropriate relationship between the pay levels of its senior managers and of all other employees.
- 3.3 Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its "pay multiple", i.e. the ratio between the highest paid salary and median average salary of the whole of the local authority's workforce. The current pay multiple, based on earnings for the financial year ending 31 March 2022, is 1 to 5.13 – the median average salary being £21,629 and the top of the Chief Executive scale £110,978.
- 3.4 The pay multiple between the basic salary of its highest paid employee (the Chief Executive) and the lowest paid employees, as defined in this statement is 1 to 6.05 – the bottom of scale 2 being £18,333 and the top of the Chief Executive scale £110,978.

- 3.5 The Council considers that the current pay multiples, as identified above, represent an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

SECTION 4: POLICIES COMMON TO ALL EMPLOYEES

- 4.1 The District Council operates a transparent pay structure that reflects the relevant duties and responsibilities of each post within the organisation. The majority of the payment terms are universal and apply to all employees. The Council also recognises that it must pay additional allowances to certain individuals or groups of employees to reflect the diverse and occasionally unique nature of their duties. All departures from the universal set of allowances are justified on the basis that they enhance the effectiveness of the individual's role or seek to protect the individual on health and safety grounds (e.g. mobile telephones to support the District Council's lone worker policy).

This Section details the universal set of allowances and the current year's exceptions.

4.2 Pay Progression

Incremental progression through each grade will be automatic and applied on the 1st April each year. Employees with less than six months service in the grade by 1st April will be granted their first increment six months after their appointment, promotion or re-grading; except where their salary on the 1st April following appointment, promotion or re-grading would be less than one spinal column point in excess of the salary they would have received on that day in their old grade with the District Council, when they shall be entitled to their first increment on the 1st April.

4.3 Market Supplements

The Council recognises that pressures in the national or regional labour market can mean that pay levels for a particular category of employee in a particular function can be such that the Council's normal pay level would not be sufficiently competitive to enable it to recruit or retain an employee in that function. In that case, the Council's market supplement policy will be applied.

There are 4 posts in receipt of a market supplement. These market supplements have been determined by Corporate Leadership Team and will be subject to review in line with the District Council's Reward and recognition Policy. The Legal Services Manager and 2 Solicitors each receive a 9% market supplement on top of basic pay given difficulty to recruit to these specific posts in 2019/20. These market supplements have been reviewed in March 2022 and will be retained until a further review in March 2024 given the current need to recruit to the Legal Services Manager Post. In addition a 9% Market Supplement has been given in 2021 to the Principal Accountant given difficulty to recruit to that post also and this will be reviewed in April 2024.

4.4 Local Government Pension Scheme (LGPS)

The Council offers all its employees access to the Local Government Pension Scheme, in accordance with the statutory provisions of the scheme. From 1 April 2014 the Council automatically enrolls all new employees into the pension scheme.

Any pension payments made on termination of employment either on grounds of redundancy, in the interests of the efficiency of the service or on grounds of ill health will be made within the statutory terms of the LGPS.

The discretions which the Council is able to apply under the scheme upon termination of employment are the same for senior employees as for all other employees who are LGPS members.

4.5 Flexible Retirement

Under the Local Government Pension Scheme Regulations, an employer can consent to a reduction in an employee's hours or grade and consent to the release of pension benefits where the employee is aged 55 or over.

In all cases decisions must be based on the merits of each application and the needs of the service and not be influenced by the employee's wish for early payment of their pension scheme benefits.

The District Council's policy delegates authority to the Chief Executive & Corporate Leadership Team to determine such cases.

4.6 Payments on Termination of Employment

Other than payments made under the LGPS, the Council's payments to employees whose employment is terminated on grounds of redundancy or in the interests of the efficiency of the service will be in accordance with the policies the Council has adopted for all its employees in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and Redundancy.

Other than payments pursuant to the LGPS and Redundancy, the Council's policy is not to make any other termination payments, other than where it has received specific legal advice to the effect that a payment may be necessary to eliminate risk of claims against the Council.

4.7 Removal/Relocation expenses

Where senior employees need to move house in order to take up an appointment with the Council, the Council will reimburse their removal, legal and other associated relocation costs in accordance with its policy, which sets maximum limits on the levels of payment. The policy was reviewed in 2019/20 and expenses capped at £6,000 and requires repayment in full if the employee leaves within 3 years of appointment.

4.8 Acting up/additional responsibility payments

Where employees are required to act up to a higher graded post or undertake additional responsibilities beyond those of their substantive post for a temporary period of time, they may receive an additional payment in recognition of the extra responsibilities. This policy applies to all employees.

4.9 Car Provision

The Council no longer offers subsidised lease cars.

4.10 Other Payments and Allowances

KEY

* - Contractual allowance, dependent upon nature of work undertaken

- available to specific category of employee

> - available to all employees in accordance with Council policy

NA - Not available

Element of Remuneration	Chief Executive/ Head of Paid Service	1 st tier	2 nd tier	Other employees
Reimbursement of removal/ relocation costs on appointment	>	>	>	>
Acting-up/additional responsibility payments	NA	>	>	>
Car provision	N/A	N/A	N/A	N/A
Mileage rates	>	>	>	>
Payment of professional subscriptions or membership fees	NA	NA	*	*
Reimbursement of subsistence or other expenses	>	>	>	>
Provision of mobile telephones	>	>	>	>
Provision of landline telephones	N/A	N/A	N/A	N/A
Election fees	>	>	>	>
TOIL Scheme	NA	>	>	>
Bonus Payments	NA	NA	NA	NA

4.10 Mileage payments

From April 2019 all employees are reimbursed at HMRC rates for approved mileage (currently 45p per mile for a car).

In addition our locally agreed Travel & Subsistence Policy confirms that whilst we will retain a distinction between casual car users and essential car users, the designation of essential user will be reviewed annual based on the number of miles undertaken in the previous year. Employee's exceeding 400 business miles in the previous year will

be designated an essential user and receive a taxable sum (paid monthly) in contribution of the additional cost to providing their car for work.

Tier 1: 1,500 miles and above per annum- £1,200 per annum

Tier 2: 1,000 - 1,499 mile per annum- £800 per annum

Tier 3: 500 – 999 miles per annum- £400 per annum.

From April 2020, the previous year is taken as January to December to enable changes in essential user payments from 1 April each year to be confirmed a month in advance.

4.11 Payment of professional subscriptions or membership fees

The Council pays the professional subscriptions for the following posts only:

Director of Resources (as Section 151 officer): Chartered Institute of Public Finance and Accountancy (CIPFA).

Solicitors: Law Society Practice Certificate

Estates & Facilities Manager: Royal Institute of Chartered Surveyors (RICS)

4.12 Reimbursement of Subsistence or Other Expenses

In accordance with the Travel & Subsistence Policy, the following expenses are claimable after meeting conditions for approval of reimbursement within the scheme.

Subsistence:	Breakfast	£5.77
	Lunch	£0
	Evening Meal	£9.78

Car Parking: Fees actually incurred

Special Licences: HGV driving licence

Change in Place of Work: Compensation for additional travel incurred for a period 18 months due to a compulsory change in work place.

4.13 Mobile Telephones

Mobile telephones are provided to the Chief Executive and to other specific employees on the basis that they are necessary for them to undertake their duties effectively and to mitigate risk in lone worker situations. The Council funds the provision of the phone and business calls. Employees are expected to pay for personal calls.

4.14 Landline Telephones

No officers are required to have payment for a private landline to effectively undertake their duties.

4.15 Election Fees

The Chief Executive receives fee payments pursuant to the appointment as Returning Officer at elections. The fees paid in elections vary according to the size of the electorate and number of postal voters. Fee payments for all but the District Council elections are set by the relevant body, and are in effect not paid by the Council, as the fees are reclaimed.

The fee for the Returning Officer therefore varies at each election. The Council has a policy of paying the maximum fee. Separate payments are made to the Deputy Returning Officer and other members of staff who work as part of the elections team, and are commensurate with time spent undertaking election duties.

4.17 Payments for Additional/ Overtime Working

The NJC Conditions of Service make provision for employees graded up to spinal column point 22, who undertake work outside of normal working hours, to receive appropriate overtime payments. Those above point 22 are not entitled to overtime payments but are allowed to take approved flexi time or time off in lieu.

In 2019/20, The District Council agreed to make overtime payment to staff above scale point 22 and below scale point 46 (entry point of Director grades) are required to work extra hours on a Major Incident or Emergency formally declared under the Major Incident Procedure (the Civil Contingencies Act which defines an emergency as “an event which threatens serious damage to human welfare, the environment or security of the UK). The objectives in declaring an emergency include saving lives and reducing harm, prevention of escalation, safeguarding the environment and the protection of property and the District Council would work in association with relevant emergency services during an incident. This initiative arose from having to respond to severe flooding in autumn/winter 2019/20.

The overtime payment scheme is not available to those officers whose conditions of service are determined by the Joint National Councils for Chief Executives or Chief Officers but TOIL may be granted.

4.18 Bonus Payments

No employees are eligible for bonus payments under the Joint Negotiating Committee for Local Authority Craft & Associated Employees.

SECTION 5: DECISION MAKING ON PAY

- 5.1 The Council recognises the importance of ensuring openness and transparency and high standards of corporate governance, with clear lines of accountability, in its pay decision-making processes and procedures. Any pay-related decisions must be capable of public scrutiny, be able to demonstrate proper and appropriate use of public funds and ensure value for money. The arrangements adopted by the Council are designed to reflect these requirements, as well as ensuring compliance with all relevant legislation and other statutory regulation.

- 5.2 Any proposal to offer a new chief officer appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, bonuses, fees or allowances which would routinely be payable to the appointee and any benefits in kind to which the officer would be entitled as a result of their employment will be referred to the full Council for approval before any such appointment is advertised or before any such offer is made to a particular candidate.

SECTION 6: AMENDMENTS TO THIS PAY POLICY STATEMENT

- 6.1 This pay policy statement relates to the financial year 2021/22.
- 6.2 The Council may agree any amendments to this pay policy statement during the financial year to which it relates.

SECTION 7: PUBLICATION OF AND ACCESS TO INFORMATION

- 7.1 The Council will publish this pay policy statement on its website at www.derbyshiredales.gov.uk as soon as is reasonably practicable after it has been approved by the Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published.
- 7.2 The information required to be published by the Council in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, and in accordance with the requirements of the Accounts and Audit (Amendment No. 2) (England) Regulations 2009, as referred to/set out in this pay policy statement, is also available on its website.
- 7.3 For further information about this pay policy statement please contact the Council's Human Resource Section on: 01629 761364 or by e-mailing humanresources@derbyshiredales.gov.uk

Council

24 March 2022

Report of Director of Regulatory Services

VISION DERBYSHIRE CLIMATE CHANGE STRATEGY: 2022-2025

PURPOSE OF REPORT

This report presents the final draft of the Vision Derbyshire Climate Change Strategy: 2022-2025 for discussion and seeks approval of the Strategy so that officers can continue to contribute to discussions intended to help reduce carbon emissions throughout the county.

RECOMMENDATION

That the Vision Derbyshire Climate Change Strategy: 2022-2025 is approved.

WARDS AFFECTED

All

STRATEGIC LINK

The Corporate Plan 2020-24 identified climate change as a key strategic priority under the theme 'Place - keeping the Derbyshire Dales clean green & safe'. The recommendations in this report support the specific aim to 'Achieve net zero carbon emissions from District Council operations by 2030' and 'Work with partners across the county and region to deliver this new goal through all relevant strategies'

1 BACKGROUND

- 1.1 Members are well aware of the Vision Derbyshire partnership. At a meeting of the Vision Derbyshire Leaders and Chief Executives in February 2021 it was agreed that a countywide strategic group should be formed to give oversight and direction for the delivery of climate change activities across the boroughs and districts of Derbyshire. This group first met in July 2021 and Derbyshire Dales District Council is represented on it by the Director of Regulatory Services.
- 1.2 A separate group consisting of climate change portfolio holders/lead members has also been formed and Derbyshire Dales District Council is represented on this group by the chair of the Council's Climate Change Working Group.

- 1.3 As the officer group formed it was recognised that whilst its purpose was clear – to work towards a net zero county – it required a strategic framework in order to concentrate its work and ensure that its efforts were neither duplicating or frustrating work that was already being undertaken by partners or in other associated groups, such as the Nottinghamshire and Derbyshire Local Authorities' Energy Partnership. As such it was agreed that one of the early tasks for the Vision Derbyshire Climate Group was to produce its own strategy.

2 REPORT

- 2.1 The Vision Derbyshire Climate Change Strategy: 2022-2025 is now in final draft form and is attached as appendix 1 to this report. The Strategy has been developed through collaborative working between Derbyshire County Council and all the district and borough councils across Derbyshire. As part of this development the draft document has been made available to members of our Climate Change Working Group and to relevant officers. All comments received on the Strategy have been fed back through the Vision Derbyshire Climate Change Group to assist with its development.
- 2.2 The Strategy is not intended to replace the individual plans held by all Derbyshire authorities to reduce their own carbon footprints, but instead concentrates on the influence that those authorities can have in reducing emissions in the wider county, whilst recognising issues relating to estates, operations and services. As such it identifies a number of priority areas in which joint working is expected to add value. These are: strengthening the low carbon economy; decarbonising Derbyshire's housing; sustainable transport, travel and infrastructure; and waste and resources. The Strategy specifies a vision and priorities for each of these areas of work.
- 2.3 It is recognised that at this stage the Strategy is necessarily a high level document. It is intended to underpin the visions and priorities with a detailed action plan that will cover all the collaborative work to be undertaken in these areas. This action plan is still being developed, but hopefully Members will recognise that Derbyshire Dales District Council is already working successfully in some of these areas, such as the ongoing delivery of Green Homes Grants to decarbonise homes and the programme of works to reduce emissions from our own operations. As the Vision Derbyshire action plan emerges it is expected that we will continue to consult with Members, initially through the Climate Change Working Group.
- 2.4 Each member council of the Vision Derbyshire Climate Change Group has now been asked to review and hopefully approve the final draft Strategy so that the partnership can move on to finalise and publish it. It is then hoped that the Strategy will be considered at a meeting of the Vision Derbyshire Joint Committee in April.

3 RISK ASSESSMENT

3.1 Legal

The adoption of this plan is required by Council. The legal risk is low.

3.2 Financial

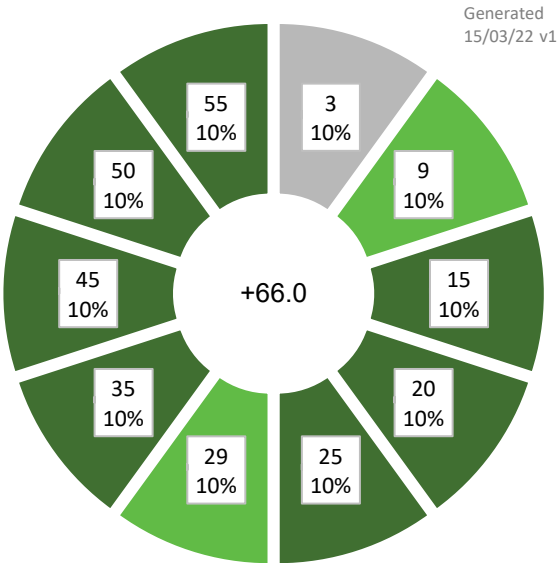
Officer costs to develop, implement and monitor the Vision Derbyshire Climate Change Strategy: 2022-2025 is within the revenue budget. Therefore, at this stage the financial risk is assessed as low.

The report states that the strategy is intended to underpin the visions and priorities with a detailed action plan that will cover all the collaborative work to be undertaken in these areas. As this detailed action plan is developed, it will be necessary to assess the financial implications and risks of proposed actions, and to seek approval at that time for any expenditure that has not been included in the revenue budget or capital programme.

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 CLIMATE CHANGE



DDDC has committed to being a carbon neutral organisation by 2030 (7 years and 9 months away).

5.1 The purpose of the draft Vision Derbyshire Climate Change Strategy: 2022-2025 is to promote positive change in relation to carbon emissions for the whole county through partnership working. At this stage the Strategy sets out broad areas within which the partner agencies can work, but does not include a detailed action plan with quantifiable emissions reductions. Therefore it is considered that the Strategy has a positive impact in principle in all areas covered by the Climate Change Impact Assessment tool, but does not warrant the highest scores until those principles can be supported by quantified targets and achievements.

6 CONTACT INFORMATION

- 6.1 Tim Braund, Director of Regulatory Services, Tel: 01629 761118, Email: tim.braund@derbyshiredales.gov.uk

7 BACKGROUND PAPERS

- 7.1 None

8 ATTACHMENTS

Appendix 1 – Final Draft Vision Derbyshire Climate Change Strategy: 2022-2025

Vision Derbyshire
Climate Change Strategy: 2022-2025

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1 Introduction

1.1 Vision Derbyshire

Vision Derbyshire is a shared commitment across Derbyshire's county, district and borough councils, to strategically collaborate to improve outcomes for people and places, speak with one voice as a county, and coordinate our resources better and more sustainably.

For people and places, Vision Derbyshire will:

- Create a fair society for Derbyshire where everyone has opportunities
- Enable people to better manage their quality of life, health and wellbeing
- Exceed climate change targets for people
- Develop an inclusive and diverse economy for Derbyshire
- Empower communities to drive sustainable change

Within Vision Derbyshire there are four key workstreams, one of which is ***Live and work sustainably***, with an objective of embedding sustainable and green strategic spatial planning Derbyshire-wide, including for housing and transport.

Councils across Derbyshire are all taking action to tackle climate change, through reducing emissions from their own estates and operations, and playing their role in reducing county-wide emissions. With the increasing need to accelerate action on tackling climate change, the development and adoption of a joint climate change strategy has been identified as an opportunity to establish common ambitions and priorities, foster collaboration and resource sharing, and provide consistency in delivery.

Derbyshire and Derby are one of only 9 regions to have been invited to make a bid for a County Deal as part of the Government's Levelling Up agenda. Once approved, this would not only bring substantial investment to the area but will provide new opportunities for tackling strategic and systemic issues. As well as extra investment to support economic growth in the area, it would include the transfer of specific powers from central government to a stronger and more cohesive form of local government, giving greater autonomy to local leaders over decision making and funding. On this basis, a new county deal would provide a strengthened opportunity for Derbyshire's councils to work collaboratively to tackle climate change through a shared focus on improving opportunities, growth and quality of life in the county.

1.2 Purpose and Scope of the Strategy

The purpose of this Strategy is to present a vision for Derbyshire to thrive and prosper as a net zero county. It has been developed through collaborative working between the county, district and borough councils across Derbyshire.

What do we mean by Net Zero?

A 'net zero' emissions scenario is one in which we have taken all viable action to reduce emissions to zero in the first instance, and any remaining or residual emissions by the target date will be offset i.e. removed from the atmosphere, as a last resort.

The Strategy sets out what needs to be done to reduce emissions across the county to net zero by 2050, or sooner, and how Derbyshire's councils will work to achieve this through a series of ambitions and priorities, supported by an action plan.

The Strategy looks at how to reduce Derbyshire's county-wide carbon emissions, taking into account those emissions generated directly in the county and those created outside of Derbyshire and which the county is, in part, responsible for.

The public sector is estimated to be directly responsible for 2% of the UK's emissions, with influence over a further 40%. As such, this Strategy focuses principally on what councils can do about the county-wide emissions that they have direct control or influence over, but also considers wider opportunities where councils can encourage, promote and facilitate action by others – including central government as well as businesses, communities and individuals across the county.

The Strategy covers the period 2022 to 2025 and is accompanied by a live action plan. It is not intended to replace existing climate change strategies and plans in place within individual councils, but instead will complement these and set out key common areas of collaboration.

As well as reducing emissions across Derbyshire, delivery of the Strategy will help to address the wider key issues facing society, including improving and future-proofing homes, businesses, infrastructure and transport, reversing the decline in biodiversity, promoting community health and wellbeing, and the facilitation of a sustainable and robust low carbon economy.

Councils can't deliver all of the necessary actions required to reduce emissions alone. Delivering the Strategy will therefore require collaboration with and across partners, citizens, businesses and communities. In addition, councils will increasingly work together to identify and secure external funding and other support for delivering action on decarbonisation.

This Strategy focuses on reducing emissions, but we also recognise the importance of adapting to climate change and protecting and enhancing the natural environment. These aspects are being explored separately to this Strategy.

2 Existing Strategies and Collaboration

2.1 Derbyshire Environment and Climate Change Framework

During 2019, councils across Derbyshire came together to develop the Derbyshire Environment and Climate Change Framework. The Framework set out a common approach for Derbyshire councils to reduce greenhouse gas emissions to levels which are consistent with the UK's commitment of net zero by 2050. The Framework contained a number of themes under which strategies and actions could be agreed, these were:

Energy	Travel	Resources	Air Quality	Economy	Natural Environment	Partnership working
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Linked to, and in addition to the Derbyshire Environment and Climate Change Framework, councils in Derbyshire have been working together to develop a number of joint strategies to tackle climate change and wider sustainability issues at county and regional levels. This includes:

- **The Air Quality Strategy (2020-2030)** – Developed through the Health and Wellbeing Board, the Strategy sets out how partners will work together to reduce the health impact of poor air quality for the people of Derby and Derbyshire.
- **The Derbyshire Economic Partnership COVID-19 Recovery Strategy (2021-2025)** – Developed by the Derbyshire Economic Partnership to identify the priorities to protect and grow Derbyshire's economy in a post-COVID world.
- **Natural Capital and Biodiversity Strategy for Derbyshire (due to be published in Autumn 2022)** – The study will consider all the natural capital assets that are key to the county's future prosperity, health, and wellbeing. It will identify the priority areas for the protection, restoration, and enhancement of natural capital assets and take climate change implications into account.
- **D2N2 Energy Strategy (2019-2030)** - This Strategy was developed by the D2N2 Local Enterprise Partnership and is being implemented in collaboration with Midlands Energy Hub. The Strategy sets out how the region can align with national and regional ambitions to expand renewable and low carbon energy development and achieve a net zero future.
- **Renewable Energy Study for Derbyshire (due to be published in Summer 2022)** – This study will identify the renewable energy opportunities in the county, including which technologies are most suitable and where they could be located.

In addition to these strategies, a range of specialist working groups exist that focus on specific areas and topics, including sustainable travel, low carbon energy, and improving the energy efficiency of homes.

2.2 Existing Climate Change Strategies Across Derbyshire

In addition to the collaborative working described in the previous section, councils have recently developed their own individual strategies and action plans to tackle climate change at county, district and borough levels. This Strategy is designed to complement individual council-level strategies and plans, through setting out key common themes and areas of collaboration. A summary of individual strategies and plans is listed below.

Council	Key Climate Change Strategy or Plan
Amber Valley Borough Council	The council has in place a <u>Carbon Reduction Management Programme and Action Plan</u> , which set out the council's plans to implement carbon reduction measures across all its assets, operations, and spheres of influence within the borough.
Bolsover District Council	The council has in place a <u>Carbon Reduction Plan 2019-2030</u> , which sets out how the council aims to work with partners, business and communities to achieve net zero.
Chesterfield Borough Council	The council has in place a <u>Climate Change Action Plan 2020-2023</u> which sets out measures that the council will carry out to monitor, reduce and decarbonise its own activities and support the transition of Chesterfield to a low carbon borough
Derbyshire County Council	The council has in place a <u>Climate Change Strategy: Achieving Net Zero (2021-2025)</u> , which sets out how the council will work to become a net zero council by 2032, or sooner, and play its part in decarbonising the county by 2050.
Derbyshire Dales District Council	The council has in place a <u>Climate Change Strategy and Action Plan, 2020 to 2030</u> , which sets out an action plan for the council to become net zero by 2030.
Erewash Borough Council	Although no formal climate change plan exists at present, the aim to support the wider climate change agenda to facilitate a better environment for everyone is included in the council's <u>Corporate Plan 2021-2023</u> .
High Peak Borough Council	The council has in place its <u>Towards Carbon Neutrality 2030: Climate Change Plan</u> , which sets out an action plan for reducing the council's own emissions and also its role in reducing emissions across the Borough.
North East Derbyshire District Council	The council has in place a <u>Climate Change Action Plan 2019-2030</u> , which sets out steps for achieving the vision of "A district that balances economic prosperity with environmental sustainability, improving the lives of our people and our environment today and in the future"
South Derbyshire District Council	The council has in place a <u>Climate and Environment Strategy and supporting Action Plan</u> , which aligns to and supports the Corporate Plan Commitments of "Our Environment, Our People, Our Future"

3 Delivering the Strategy

In order to effectively deliver the Strategy, councils across Derbyshire will work together to deliver projects and initiatives that align with and achieve the ambitions, targets and principles set out in Section 5. To deliver the Strategy, a range of actions and projects will be identified and delivered collaboratively by the councils during the Strategy period.

The Strategy will be co-ordinated and monitored by the Vision Derbyshire Climate Change Officers Group, which is comprised of officers from the county, district and borough Councils in Derbyshire. This Officers Group reports into the wider Vision Derbyshire governance structure, ensuring oversight and accountability of activities and projects being delivered.

The councils also play a key role in bringing together residents, businesses, academic, public, community and voluntary sectors to plan and implement climate action. We will use our leadership, partnership building and influencing role to facilitate and promote actions across all sectors and groups.

The councils will also work with partners and other stakeholders to educate, raise awareness and engage and involve people within the local community.

To deliver the action required to play their part in reducing emissions across the county to net zero, councils will need to work together to identify and prepare for external funding opportunities. This will help the councils to maximise collective success in securing funding and other support for delivering action on decarbonisation.

Furthermore, the councils will work together to utilise our links with central government to lobby for additional support for local government on this agenda and to secure investment for decarbonisation in Derbyshire.

4 Derbyshire's Emissions

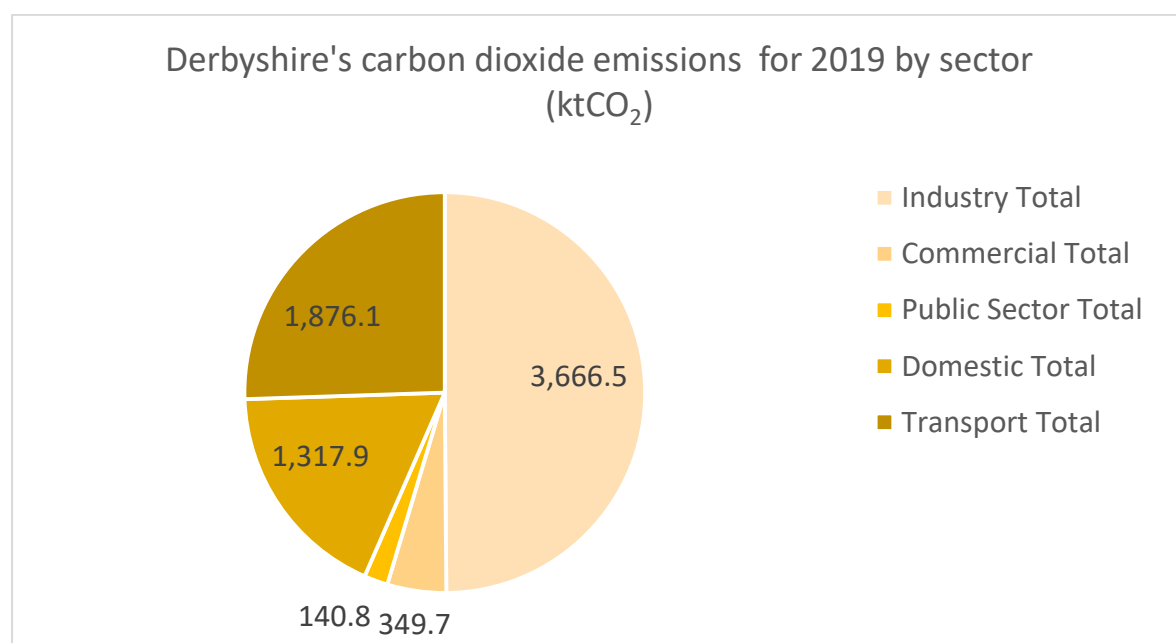
There is no doubt that emissions across the world need to be cut as a matter of urgency and that if global temperature rises are to be kept to a level at which it is estimated 'we can manage' then emissions need to be reduced sharply over the next decade and to net zero by 2050.

The UK has legal targets to:

- Reduce greenhouse gas emissions by 78% by 2035 compared to 1990 levels as set out in the sixth carbon budget (to include the UK's share of international aviation and shipping emissions)
- Reduce greenhouse gas emissions to net zero by 2050

Derbyshire's county-wide target of net zero by 2050 is aligned with the UK's legal commitment to deliver net zero by 2050.

In 2019, Derbyshire's total greenhouse gas emissions across the county amounted to 7.2 million tonnes of CO₂¹. This works out at 9.0 tonnes per person compared to a UK average of 6.8 tonnes per person. Our biggest sources of emissions are from the industrial sector (including significant emissions from the county's quarrying and cement industries), followed by the transport and domestic sectors. Figure 1 presents the split of these emissions sources. It is worth noting that Derbyshire's emissions aren't just caused by activities inside the county, but also by the production of the goods and services outside it, which are bought in.



¹ [UK local authority and regional carbon dioxide emissions national statistics: 2005 to 2019](#)

Since 2005, Derbyshire's county-wide emissions have fallen by 25%. However, emissions reductions need to be accelerated if the county is to be on course to deliver net zero by 2050.

Emissions data

There are a number of datasets and modelling tools available that provide emissions data for the UK and for individual areas. The datasets vary according to the sources of information used, and also what is included and what is excluded. This complex array of datasets can lead to confusion about the quantity of emissions emitted in an area and inconsistency in reporting.

The Department for Business, Energy and Industrial Strategy (BEIS) produces a breakdown of carbon dioxide emissions by Local Authority area as a subset of its annual inventory of greenhouse gas emissions. The nationally available data sets begin in 2005 and, at the time of this Strategy's production, the latest data set was for 2019. Emissions from aviation, shipping and military transport are excluded from this data set as there is no obvious basis for allocation to local areas. For the purpose of this Strategy and to aid comparisons and consistency in measurement and decision-making, the BEIS data is being used as the core source of emission data for the county.

Other sources of emission data include the Tyndall Centre and the Anthesis ScatterCities modelling tool.

5 Strategic Vision and Priorities

The strategic Vision for net zero, including common priorities, is presented in the following section, split by five key themes:

- Local Authority Estate, Operations and Services
- Strengthening the Low Carbon Economy
- Decarbonising Derbyshire's Housing
- Sustainable Transport, Travel and Infrastructure
- Waste and Resources.

5.1 Local Authority Estate, Operations and Services

Vision

Derbyshire's county, district and borough councils will become net-zero carbon organisations that lead by example in implementing and promoting sustainable and low carbon practices in their ways of working and service delivery. This will include ensuring carbon reduction is embedded as a core part of decision-making and commissioning, and improving the energy and carbon efficiency of council buildings, land and fleet, as well as in all of the services that the councils deliver on behalf of Derbyshire's residents. All council employees and suppliers will understand the importance of reducing emissions, and their role in achieving these reductions.

Priorities

Individual councils across Derbyshire are producing and delivering their own climate change strategies and action plans to reduce their own operational emissions to net zero. This Strategy does not intend to replace these individual council-level strategies and action plans, but instead seeks to complement them and identify common priority themes where a collaborative approach can be taken to reduce council-level emissions. These themes include:

- **Training** – the development and delivery of consistent climate change training materials and messaging relevant to all councils in Derbyshire.
- **Procurement** – working together to develop and embed an approach to sustainable procurement to ensure environmental and social sustainability is embedded within all contracting and procurement activities.
- **Renewable and low carbon energy** – collaborative research into opportunities and locations for the installation of renewable energy generation technologies (e.g. solar) on council-owned buildings and land.
- **Planning** – working together to develop appropriate guidance, policy and frameworks to ensure that planning measures for net zero buildings are integrated into Local Plans and wider planning activities.
- **Fleet** – working together to facilitate low-carbon vehicle fleets across all Councils, including cars, vans and larger vehicles, and the infrastructure to support this.

- **Funding** – working together to identify and secure funding (such as from central government) for climate change and low carbon projects and initiatives.

5.2 Strengthening the Low Carbon Economy

Vision

There will be an acceleration in the transition to a zero carbon economy through low carbon recovery and good growth, the creation of more and better jobs in the low carbon and clean technology sectors, increased skill levels and the fostering of innovation within the county, and a reduction in energy consumption from all industrial and commercial sectors. The natural resources of the county will be rapidly used to expand renewable energy generation across the county.

Priorities

Derbyshire councils will work together and with partners, citizens, businesses and communities to:

- Reduce manufacturing and construction emissions through energy efficiency improvements and expansion of new technologies, and promotion of fuel switching.
- Promote net zero commercial and industrial building developments and retrofitting activities.
- Support the adoption of large-scale and small-scale renewable energy generation in suitable locations.
- Support the adoption of low carbon technologies for space and water heating.
- Promote net zero and sustainable planning policies and practices in all planning activities.
- Promote the use of LED lighting and energy efficient machinery and technology.
- Foster innovation through the promotion of green sector businesses, and identifying, highlighting and signposting areas of green innovation.
- Support academic and training institutions in the development and implementation of relevant training courses.
- Promote and create skilled green jobs in Derbyshire to help reach net zero emissions and enable our local economy to grow and flourish.

5.3 Decarbonising Derbyshire's Housing

Vision

Through working with partners and external stakeholder groups, low and zero carbon homes will be created that reduce emissions but also provide economic and wellbeing benefits for our residents. This will be achieved through insulating homes, installing more efficient heating systems, reducing energy consumption, and facilitating behaviour change through the provision of support and information. There will also be support for the growth in green jobs to install these measures, and the councils will play their role in the expansion of small-scale renewable energy generation in the domestic sector.

Priorities

Derbyshire councils will work together and with partners, citizens, businesses and communities to:

- Improve the EPC rating of homes, so that all owner occupier domestic properties are EPC rating C, or better, by 2035.
- Promote the use of LED lighting and energy efficient white goods and electrical items.
- Work to ensure all new houses are net zero through planning policy and guidance.
- Work to accelerate the retrofitting of homes across the county.
- Support the adoption of low carbon heating technologies.
- Support the adoption of micro-energy generation on homes, such as solar photovoltaics (PV).
- Support households in changing behaviours that lead to a reduction in energy and water use through information provision and tailored support and advice.
- Support and help to address supply challenges and skills shortages in the sector.

5.4 Sustainable Transport, Travel and Infrastructure

Vision

Working with partners and external stakeholder groups, the councils will deliver an ambitious low-carbon integrated transport system across the county that meets the needs of residents in accessing the places they work, live and socialise as well as improving air quality and delivering health and wellbeing benefits for Derbyshire's residents. Derbyshire's flexible, accessible, affordable and integrated transport system will enable everyone to make their journeys through active travel (walking and cycling), public transport or zero or low carbon private vehicles.

Priorities

Derbyshire councils will work together and with partners, citizens, businesses and communities to:

- Accelerate the shift to electric vehicles through improving charging point infrastructure and promoting the uptake in these vehicles.
- Reduce the modal share of cars, vans and motorbikes in travel.
- Support the uptake of low and zero carbon transport for personal and business purposes.
- Improve public transport services and infrastructure and increase its modal share.
- Increase the modal share of active transport (walking and cycling).
- Promote the use of zero carbon fuel sources for transport.
- Decrease the distance travelled by road freight where possible and promote the use of more efficient vehicles.

5.5 Waste and Resources

Vision

Derbyshire will have a more sustainable and circular economy-based system of resource management, where the councils place high value on our natural resources, whilst seeking to reduce our consumption and generation of resource and waste. The councils will encourage and work with others to establish innovative approaches to waste diversion, reuse and recycling.

Priorities

Derbyshire councils will work together and with partners, citizens, businesses and communities to:

- Reduce the amount of household and commercial waste, particularly packaging and food waste.
- Divert more waste from landfill.
- Increase levels of reuse and recycling across the county, and improve consistency in approaches to recycling household waste across the county.
- Raise awareness amongst residents about minimising waste and recycling and disposing of waste appropriately and correctly.
- Collaborate in moving towards the circular economy.

6 Carbon Offsetting and Sequestration

Despite all efforts across Derbyshire to reduce emissions, it is anticipated there may be remaining residual emissions to be offset in order for Derbyshire to be a net zero county by 2050.

The councils will work with partners and wider stakeholders to maximise offsetting activities, for example, through carbon sequestration techniques as a short-term solution whilst we continue to seek and prioritise decarbonisation opportunities.

Carbon sequestration reduces atmospheric levels of CO₂ by capturing the gas and storing it so helping to limit climate change. CO₂ can either be removed from the atmosphere using natural processes, or captured where it is created (e.g. in power plants or industrial processes) and then stored, for instance, underground. This is known as Carbon Capture, Utilisation and Storage (CCUS).

In 2019, Derbyshire's woodlands and other vegetation absorbed 0.13 million tonnes of CO₂², which is a small amount when compared to annual emissions across the county of 7.2 million tonnes of CO₂ in the same year. In order to increase the amount of CO₂ absorbed by woodlands and other vegetation in Derbyshire, the councils will:

- Work with partners and wider stakeholder groups to increase tree cover across the county.
- Work with partners and wider stakeholder groups to restore the county's peatlands and grasslands.
- Promote a reduction in grazed grassland and increased areas of natural grassland sustainable arable farming.
- Promote the adoption of farming practices which increase carbon sequestration by plants and soil and lead to fewer negative environmental impacts.
- Promote and facilitate an increase in green spaces and tree coverage in urban areas.

Derbyshire's county, district and borough councils are currently working together to develop a natural capital and biodiversity strategy for Derbyshire. This project will take a close look at Derbyshire's natural assets – such as soil, minerals, air, water and biodiversity – assess what resources Derbyshire needs more of, where existing resources can be enhanced, and the measures needed to replace natural resources when they are used. This will identify the priority areas for the protection, restoration, and enhancement of our natural assets.

Large scale CCUS processes are relatively new technologies which may become increasingly viable options for Derbyshire in the future. The councils will continue to work with partners and wider stakeholders to monitor and further explore improvements and expansion of CCUS technologies to understand how these options could be deployed at scale.

² [UK local authority and regional carbon dioxide emissions national statistics: 2005 to 2019](#)

7 Communication and Engagement

Derbyshire's councils cannot reduce Derbyshire's emissions to net zero alone. This can only be achieved through coordinated and concerted effort from everyone – residents, businesses, academic, public, community and voluntary sectors.

Derbyshire councils want to work with everyone in the county to:

- Establish a mutual understanding of climate change and the risks that it poses too Derbyshire.
- Establish a shared understanding of what could, and should, be done in Derbyshire to tackle climate change.
- Give all individuals and groups the opportunity to shape how this challenge is addressed and play their part in reducing emissions.

The way that the councils will engage and work with others will vary depending on the nature, scale and type of projects. For example, collective efforts between councils to decarbonise council buildings is unlikely to require a significant level of communication and involvement with wider groups and individuals, whereas projects relating to decarbonising homes across the county will require engagement across a wide number of groups and in various formats and levels of detail.

The councils will ensure communication and engagement is meaningful and leads to outcomes and results. Effective engagement will also help to ensure communities benefit from actions taken to reduce emissions and make sure that the action taken to reduce emissions do not bring about inequalities or significantly increased costs for Derbyshire's residents.

8 Monitoring, Reviewing and Reporting

To deliver this Strategy effectively, the councils will need to monitor progress of the county in reducing emissions, as well as progress on delivering actions to contribute towards achieving the Visions and Priorities set out in this document.

During this Strategy period the councils will collaborate to:

- Establish an agreed Derbyshire emissions baseline, using BEIS data, from which performance and progress will be monitored and tracked.
- On an annual basis:
 - Track annual BEIS emissions data for the county to understand the level of progress being made in reducing Derbyshire's emissions.
 - Undertake a gap analysis of ambition versus action in terms of emissions reduction and collaborative climate change action.
 - Publish a summary update on progress on reducing emissions across Derbyshire, and progress against Strategy's Visions and Priorities.

This will ensure progress is being made and any necessary early interventions to address under performance are identified and implemented. This annual review will also take account of any policy, technological, economic and cultural developments and how they might influence and affect delivery and priorities.

The supporting action plan will be reviewed and updated on a regular basis to ensure that the councils are continuing to develop the appropriate climate actions necessary to achieve our net zero targets in collaboration with other partners, stakeholders, and community members, and to respond to future technological and policy developments.

The councils will also continue to explore the wider co-benefits of climate action e.g. air quality improvements, improved health and wellbeing, biodiversity net gain, and social value. This will help to identify and communicate the benefits of climate action beyond emissions reductions.

COUNCIL

24TH MARCH 2022

Report of Director of Regeneration and Policy

DERBYSHIRE DALES LOCAL PLAN – NEXT STEPS

PURPOSE OF REPORT

The purpose of this report is to set out the conclusions of the Local Plan Working Group in relation to meeting housing needs for the period 2017-2040. The report sets out the work that has been undertaken in respect of the identification of additional housing sites, and the extent to which those sites are capable of meeting future housing needs. Finally, the report sets out proposals for future work on the Local Plan.

RECOMMENDATION

It is recommended that:

1. That the work undertaken the identification of Housing Needs for 2017-2040 and the work undertaken on the Strategic Housing Land Availability Assessment is noted
2. That delegated authority be given to the Director of Regeneration and Policy to commission consultants to undertake a more detailed assessment of options for the delivery of a sustainable Derbyshire Dales that meets its agreed aspirations, as set out in Option 5 in paragraphs 4.15 and 4.16 below
3. That, subject to recommendation 2 above being agreed, approval is given for a supplementary revenue estimate of £60,000 in 2022/23 to be financed from the Local Plan Reserve
4. That the timetable for the ongoing modification of the Derbyshire Dales Local Plan as set out in Paragraph 5.12 be approved

WARDS AFFECTED

All Wards, with particular reference to Wards outside of the Peak District National Park

STRATEGIC LINK

The Derbyshire Dales District Council Local Plan will be a pivotal tool in the delivery of the Council's Corporate Plan, in particular those priorities relating to *Place* and *Prosperity*.

1 BACKGROUND

- 1.1 Derbyshire Dales District Council, is the local planning authority for that part of its area that sits outside of the Peak District National Park. In December 2017 the Derbyshire Dales Local Plan was formally adopted. It sets out the policies and proposals for the use and development of land for the period 2013-2033. Regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) requires local planning authorities to review Local Plans at least once every five years

from their adoption date to ensure that policies remain relevant and effectively address the needs of the local community.

- 1.2 At an Extraordinary Meeting of Council on 9th November 2020 Members resolved that a review of the adopted Derbyshire Dales Local Plan be undertaken and agreed a timetable for its review (Minute 141/20).
- 1.3 Members will recall that a report was presented to an Extraordinary Meeting of Council on 19th January 2022, which set out a detailed assessment of the contents of the adopted Derbyshire Dales Local Plan. Following consideration of this report it was resolved that for the purposes of Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 the review of the Derbyshire Dales Local Plan be determined as having been completed, and that detailed further work on those aspects of the adopted Derbyshire Dales Local Plan requiring modification be subject to scrutiny by the Local Plan Working Group prior to further reports to future meetings of Council. (Minute 241/21).
- 1.4 Members will also be aware, from the Member Workshops held in respect of Housing and Employment Land Requirements on 18th May 2021 and the Strategic Flood Risk Assessment on 7th September 2021, of the extent of work that consultants have undertaken on behalf of the District Council in these two areas.
- 1.5 A meeting of the Local Plan Working Group was held on 13th October 2021 to discuss the Housing and Employment Land requirements and options for the Local Plan review. At this meeting the Local Plan Working Group were advised about the initial findings of the Sustainability Appraisal¹ of the Housing and Employment Growth Options, as well as the need for Members to take into account the Corporate Plan, the District Council's Economic Plan and it's Covid-19 Economic Recovery Plan at the time when a decision is required by Council on which of the housing options to take forward for the period up to 2040.
- 1.6 A 'Call for Sites' as part of the Strategic Housing Land Availability Assessment process was undertaken between 26th May and 7th July 2021. This allowed developers, landowners and members of the public to nominate potential development sites for allocation in the Derbyshire Dales Local Plan for the period up to 2040. As a result of this process 106 sites were put forward for consideration. Following an initial assessment of all those sites submitted to the District Council a more detailed assessment of 69 sites, which met the initial selection criteria was undertaken.
- 1.7 Following completion of the Strategic Housing Land Availability Assessment the Local Plan Working Group met on 21st February 2022 to discuss the future housing needs requirements for the period 2017-2040 and the extent to which the potential housing supply could meet the future housing needs. The direction of travel from Members at that meeting of the Local Plan Working Group has formed the basis of the contents of this report.

¹ The purpose of the Sustainability Appraisal being to assess the likely social, environmental (including climate change) and economic effects of the growth options, both positive and negative and to ensure that decisions are made which contribute towards achieving sustainable development.

2 HOUSING NEEDS 2017-2040

2.1 As Members will be aware, the research undertaken by Iceni Projects identified 4 potential scenarios for the future needs requirements for the period 2017-2020. These are set out below:

1. Standard Methodology	230 homes p/a	2,120 jobs
2. Baseline Economic Scenario	239 homes p/a	2,436 jobs
3. Recovery Scenario	275 homes p/a	3,718 jobs
4. High Growth Scenario	302 homes p/a	4,675 jobs

2.2 The Standard Methodology is the Government's minimum housing requirements for a local authority area, and takes account of forecast changes in household growth plus an allowance for an affordable housing multiplier which is related to the District Council's published House Prices Ratio.²

2.3 As part of the research undertaken by Iceni Projects they assessed the level of jobs growth that would result from the Standard Methodology, which suggested that it would result in an additional 2,120 jobs.

2.4 A further three economic growth scenarios was considered. The first scenario utilised baseline forecast data from Cambridge Econometrics – this indicated employment growth of 2,436 jobs over the period up to 2040. When translated into housing requirements this indicated a requirement of 239 dwellings per annum.

2.5 A second 'Recovery' scenario forecasts 3,718 jobs aligned with the Council's Recovery Plan focusing on the Recovery Plan sectors whilst allowing for some stronger growth in tourism.

2.6 A third and final 'Higher Growth' scenario forecasts 4,675 additional jobs and an increase in the economically active population of about 4,400.

2.7 The following key points differentiate the recovery and higher growth scenarios from the baseline scenario:

- A more rapid recovery in Accommodation and food than the baseline forecast (particularly given the potential staycation market). For the 'Higher Growth' there is continued employment growth to 2040 closer to the historic performance of this sector;
- Stronger performance in ICT, given the strength of past performance and the outlook at the regional level
- Reflecting on the Derbyshire Dales and LEP growth / recovery plans, as well as historic performance in Derbyshire Dales, an improved outlook for higher value manufacturing (electronics, electrical and machinery) as well as architecture and engineering
- Better performance is expected in 'Other services' (including tourism related Arts and Recreation) reflecting strong local growth in the past. The 'Higher

² <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Growth' scenario sees job growth moving closer to the historic trend than the 'Recovery' scenario; and

- A limited increase to the outlook for Transport & storage given the move to e-commerce online retailing.

2.8 Translating these economic forecasts into housing requirements it indicates 275 dwellings per annum under the Recovery scenario and 302 dwellings per annum under the Higher Growth Scenario.

2.9 The housing needs set out in the adopted Derbyshire Dales Local Plan was based upon the guidance in place at that time which required local planning authorities to meet their Objectively Assessed need for Housing. The outcome of the research undertaken by G L Hearn in 2015 provided a single requirement.

2.10 The current advice in the National Planning Practice Guidance Government is that the Standard Methodology is the minimum level of housing need for an area, and there may be circumstances which might dictate where it is appropriate to consider whether the housing needs should be higher than the standard methodology indicates.

2.11 The District Council's Corporate Plan³ has 'Prosperity – Supporting Better Homes and Jobs' as one of its key priorities because of the low local wages and high local house prices. It sets out that this will be achieved by promoting housing development that meets the needs of the present and future population of the District, and taking forward initiatives that will boost the Derbyshire Dales Economy.

2.12 The District Council's Economic Plan 2019-2033⁴ sets out an aspiration to see growth in higher value jobs in manufacturing, professional, scientific and technical jobs, along with a growth in workplace earnings, GVA and occupied employment land.

2.13 The Derbyshire Dales Covid-19 Economic Recovery Plan⁵, approved by the District Council in November 2020 sets three priority actions:

1. Invest in regenerating housing and employment sites
2. Re-Invest in Bakewell Road, Matlock
3. Re-shape Regeneration Services to drive investment in brownfield and other key housing/employment sites

2.14 The approved Covid-19 Economic Recovery Plan also includes the following action:

- Ensure the forthcoming review of the Derbyshire Dales Local Plan (and the studies and surveys commissioned in support of the Local Plan review) addresses economic recovery as a key theme, including residential and leisure uses in town centres, broadband investment, and clean growth

³ https://www.derbyshiredales.gov.uk/images/C/Corporate_Plan_2020-24_for_web.pdf

⁴ https://www.derbyshiredales.gov.uk/images/documents/E/Economic%20Development/Derbyshire_Dales_Economic_Plan_2019-2033_A.pdf

⁵ https://www.derbyshiredales.gov.uk/images/documents/E/AGENDA_09-11-2020_Economic_Recovery_Plan.pdf

- 2.15 In light of these priorities it is considered that there is sufficient justification for the District Council to adopt a housing need requirement that is above the Standard Methodology.
- 2.16 Members, at previous meetings of the Local Plan Working Group, have indicated taking all these factors into account (including a sustainability appraisal of the different options) that whilst the Standard Methodology and Baseline Forecast scenarios would result in some benefits to the local economy they do not match the ambitions which are set out in the Economic Plan or the Covid Recovery Plan.
- 2.17 The Local Plan Working Group considered that whilst higher levels of growth may result in some adverse environmental impacts, so long as these were subject to relevant mitigation measures then it was appropriate that either the Recovery or Higher Growth scenarios form the basis of the future housing requirements for the period to 2040.

3 CAN THE RECOVERY OR HIGHER GROWTH SCENARIOS BE ACHIEVED?

- 3.1 As set out above parallel to the work that has been prepared on the housing need requirements for 2017-2040 work on a Strategic Housing Land Availability Assessment (SHLAA) has been undertaken.
- 3.2 The National Planning Practice Guidance (NPPG) sets out that Strategic Housing and Economic Land Availability Assessments should:
- Identify sites and broad locations with potential for development, primarily housing & employment, but land for potential development for other uses are to be identified too, including gypsies & travellers; leisure and recreation and new village sites;
 - Assess their development potential; and
 - Assess their suitability for development and the likelihood of development coming forward (the availability or achievability);
 - Identify if there is a sufficient supply of sites to inform the housing target for inclusion within the review of the Derbyshire Dales Local Plan.
 - If there is a shortage of land identified; change and adapt the methodology, then re-assess sites to increase supply.
 - The development potential of sites identified as deliverable will inform the distribution of strategic housing, employment land, sites for gypsy & travellers as well as sport & recreation allocations within the Derbyshire Dales Local Plan.
- 3.3 To date, two stages of work have been undertaken on the updated Derbyshire Dales SHLAA. This report sets out the initial conclusions of the work completed so far. On the basis of the assessments undertaken of sites included in this report Members can be assured that it provides a substantive evidence base for this stage in taking the Local Plan forward.

Stage 1 – Site Identification

- 3.4 A 'Call for Sites' was undertaken between 26th May and 7th July 2021. This allowed developers, landowners and members of the public to nominate potential development sites for allocation in the Derbyshire Dales Local Plan for the period up to 2040.

As a result of this process 106 sites were put forward for consideration.

Stage 2- Site Assessment

Stage A

- 3.5 The initial assessment of the sites determined whether it is one suitable to be carried forward for a more detailed review. It considered the extent to which a site was:

- Within a floodzone
- Within a Special Areas of Conservation, Special Protection Areas, RAMSAR sites or SSSI
- Located in an unsustainable location
- Identified as Permitted Development Rights.

- 3.6 It also took into account a site size threshold – The NPPG sets out that it may be appropriate to consider all sites and broad locations capable of delivering 5 or more dwellings, or economic development on sites of 0.25 hectares (or 500 square metres of floor space) and above. Any site below this threshold was not taken forward for any further assessment.

Stage B

- 3.7 Following the Stage A assessment a total of 70 sites were taken forward for a more detailed consideration.

- 3.8 The assessment of these sites at this stage involved input from the following internal and external partners and agencies:

- Development Management & Conservation
- Environmental Health
- Leisure
- Economic Development
- Derbyshire Wildlife Trust
- Environment Agency
- Highways Authority
- Archaeology DCC
- Waste & minerals– DCC
- Landscape Officer – DCC Gary Ellis or Mary & Anton?
- CCG – Health and GP surgeries
- Education Authority
- Local Flood Lead Authority
- Broadband & BT Open reach
- Severn Trent

- 3.9 This stage has been completed and a review of the consultee responses has been undertaken to determine which sites have the best potential for inclusion (allocation) within the Derbyshire Dales Local Plan for the period up to 2040.
- 3.10 As a result of this exercise, along with a peer review with Development Management, **24 sites have been identified as being considered suitable for allocation** for 10 units or more, within the Derbyshire Dales Local Plan for the period up to 2040. The final part of Stage B was to consider the potential capacity of those sites that were considered suitable for development up to 2040. The sites and their estimated capacity are set out in Appendix 1.
- 3.11 Of the 24 sites identified in Appendix 1, **16 are existing allocations within the adopted Derbyshire Dales Local Plan and 8 are new sites** not previously identified. These provide a **total estimated capacity of 3,142, of which the new sites contribute an estimated capacity of just 201 units.**
- 3.12 The locations of these sites, and those other sites considered under Stage B are set out in Appendix 2.
- 3.13 The detailed assessment of the sites, included in this report is available on the Members Portal and the District Council's website.

Development Phasing.

- 3.14 Following completion of the site capacity assessment a detailed phasing profile for each of these sites for the period 2021-2040 was undertaken. The phasing profile for each is an Officer judgement based upon the trajectory set out in the current Authority Monitoring Report and is set out in Appendix 3. In taking sites forward for inclusion within the Local Plan the phasing profile would normally be agreed with landowners, and developers. However given that there has been regular contact with the landowners and developers of the majority of these sites previously it is considered that this can be viewed as a reasonably accurate future trajectory, at today's date.
- 3.15 Taking account of the phasing profile, and the extent of completions and commitments at 1st April 2021 the following position is achieved for each of the four housing need scenarios:

	Standard Methodology	Baseline Growth	Recovery	Higher Growth
Annual Requirement	230	239	275	302
No Years 2017-2040	23	23	23	23
Overall Requirement	5290	5497	6325	6946
No. of Completions 2017-2021				
DDDC	1454	1454	1454	1454
National Park	129	129	129	129
	1583	1583	1583	1583
Outstanding Requirement	3707	3914	4742	5363

	Standard Methodology	Baseline Growth	Recovery	Higher Growth
Existing Deliverable Commitments 2021-2026	894	894	894	894
National Park 20p/a 2021-2026	100	100	100	100
Windfall 15 p/a 2021-2026	75	75	75	75
Local Plan Allocations 2021-2026	291	291	291	291
5 Year Supply 2021-2026	1360	1360	1360	1360
Requirement Beyond 2026	2347	2554	3382	4003
National Park 2026-2040 20p/a	280	280	280	280
Windfall 2026-2040 15p/a	210	210	210	210
Potential Local Plan Allocations 2026-2040	2562	2562	2562	2562
	3052	3052	3052	3052
Outstanding	705	498	-330	-951

3.16 This suggests that for the Standard Methodology and Baseline Growth scenarios that there is likely to be adequate housing sites available to meet their overall needs. It also indicates that for the Recovery scenario and the Higher Growth scenario that additional land would need to be found and considered suitable for allocation in order for those two scenarios to be achieved.

3.17 On the basis of the identified sites, their capacity and phasing this gives an average annual rate of 261 dwellings per annum over the period 2017-2021:

Completions	1583
0-5 Years	1360
5 Plus Years	3052
TOTAL	5995
Average Rate Per Annum	261

3.18 This would suggest that a level of housing need somewhere between the Baseline Growth and Recovery scenarios could be achieved. However this is contingent on all 24 sites being included and all the assumptions made about the site phasing being met.

3.19 These calculations, however, do not allow for any flexibility in the event that sites do not come forward or that sites come forward at a slower rate than anticipated. The

adopted Derbyshire Dales Local Plan included provision which equated to a 17% flexibility allowance being built into the overall housing supply. The Inspector in his report commented on this:

“..The 17% figure is consistent with non-implementation and lapse rates found elsewhere, albeit not as high as the Derbyshire Dales Local Plan, Inspector’s Report November 2017 20% ‘reserve’ recommended by some such as the Local Plan Expert Group. This greater flexibility in the Plan is necessary..”

- 3.20 It is therefore necessary to build in some degree of flexibility into the housing supply calculations to address this requirement. The following position is arrived at when assessed against the average of 261 dwellings per annum:

20% Flexibility	217 per annum
15% Flexibility	227 per annum
10% Flexibility	237 per annum

- 3.21 This suggests that given the level of potential supply over the plan period and the need to build in flexibility that there is sufficient supply to meet only the Standard Methodology scenario, with only a 10% allowance for flexibility built in. This is below what is generally accepted as being the normal allowance for flexibility. Again, it requires all 24 sites to be included.

- 3.22 To achieve 20% flexibility such that the level of housing need equates to 261 dwellings per annum would require the identification of land for an additional 1,208 dwellings over the plan period 2017-2040 (An extra 52 dwellings per annum). A total of 313 dwellings per annum or 7,204 dwellings in total.

- 3.23 Reviewing this against all four scenarios the following position is arrived at:

	Standard Methodology	Baseline Growth	Recovery	Higher Growth
Annual Requirement	230	239	275	302
No Years 2017-2040	23	23	23	23
Overall Requirement	5,290	5,497	6,325	6,946
Estimated Supply 2017-2040	5,995	5,995	5,995	5,995
Total with 20% Flexibility Allowance	6,348	6,596	7,590	8335
Difference	389	601	1,595	2,340

	Standard Methodology	Baseline Growth	Recovery	Higher Growth
Total with 15% Flexibility Allowance	6084	6322	7274	7988
Difference	88	327	1279	1993
Total with 10 % Flexibility Allowance	5819	6047	6958	7641
Difference	-176	52	963	1,646
Balance Point for Flexibility	13%	9%	-5%	-14%

3.24 This suggests, taking account the current estimate of site capacity and **building in a reasonable allowance for flexibility that the Standard Methodology is the only one of the four scenarios that the District Council has the potential to demonstrate is a ‘deliverable’ position over the period 2017-2040.**

3.25 The calculation of Five Year Supply as set out in Appendix 4 does however indicate that the plan would be unlikely to fail on this ground alone.

4 OPTIONS FOR THE FUTURE

4.1 A decision on the future housing requirements cannot be made in isolation. In coming to a view on what the level of future housing requirements are account needs to be taken of the potential social, economic and environmental impacts.

4.2 Given the relationship between the potential economic growth and the future housing requirements consideration needs to be given to the District Council’s adopted position in respect of its future economic aspirations as set out in the in the Corporate Plan, the Covid Recovery Plan and the Economic Development Plan.

4.3 The following table seeks to summarise the sustainability appraisal work undertaken in respect of the future housing requirements for Derbyshire Dales:

		Impact on Environmental Objectives	Impact on Economic Objectives	Impact on Social Objectives
Standard Methodology	230 homes pa			
Baseline Scenario	239 homes p.a.			
Recovery scenario	275 homes p.a.			
Higher growth scenario	302 homes p.a.			

KEY

	Least mitigation measures required in order to achieve identified Sustainability Objectives.
	Achievement of Sustainability Objectives likely to be achieved in some instances with minimum mitigation whilst others may require more mitigation measures to be achieved.
	Sustainability Objectives unlikely to be achieved without mitigation measures put in place by way of offset.

- 4.4 Consequently **being able to only demonstrate delivery of the Standard Methodology, whilst limiting environmental impacts, does little to achieve priority economic and social objectives.**
- 4.5 On the basis of the evidence above, all existing allocations in the adopted Derbyshire Dales Local Plan will need to be taken forward and additional land for residential development would need to be identified to ensure that the Baseline Growth, Recovery and Higher Growth Scenarios can be achieved.
- 4.6 Notwithstanding the development of new policies to assist with the determination of planning applications, if any of the these scenarios were set as the Strategy for the Local Plan for the period 2017-2040 on the basis of the above evidence the District Council would not be able to deliver a plan which would be capable of satisfying an Inspector at Examination in Public that it was a sound plan.
- 4.7 It is therefore appropriate to consider what options are available to the District Council at this time in taking the Local Plan forward. The following are considered to be reasonable options for Members to consider:

Option 1 – Only Deliver Standard Methodology

- 4.8 Accept that the Standard Methodology is the only realistic scenario that is capable of being delivered in the Local Plan up to 2040 and accept that this will achieve neither corporate priorities nor sustainability objectives. In taking forward this option it is anticipated that a new Local Plan could be in place by the June 2023 as set out in the

original timetable, and allow for the District Council to have an adopted framework for use in the determination of planning applications for the period up to 2040. If this option is taken forward then it may be feasible to work with our consultants to seek to identify and maximise the benefits that can be achieved from development, without those having an adverse impact upon their overall viability.

- 4.9 Furthermore if this option were considered our Consultants should be asked to model the social and economic impacts of restricted growth on an ageing population, on town centres that are already experiencing vacancies and decline, and on productivity, GVA and wages.

Option 2 – Reassess Failed SHLAA Sites

- 4.10 This Option would involve reassessing all the sites that have come forward through the SHLAA process and the extent to which any of the sites could be identified as providing additional capacity to achieve a higher level of growth. This option would involve delay the timetable for the preparation of the revised Local Plan of approximately 2-3 months as for some sites it will involve seeking further evidence from the landowner and their agents about the extent to which they could overcome some of the constraints identified by the key stakeholders and which had led to their rejection. There is a significant risk associated with adopting this strategy alone, that it will not generate anywhere near the additional numbers required to deliver the higher growth targets. However reassessment alongside other options would be reasonable.

Option 3 – Invoke the Duty to Co-operate with Neighbouring Authorities

- 4.11 The District Council has a requirement to ensure that it co-operates with other strategic bodies in relation to the preparation and revisions of the Local Plan. This Option would take as its starting point that the District Council is seeking to achieve one of the higher growth scenarios, and seek to reach agreement with the neighbouring authorities to accommodate the shortfall in the numbers for each of those scenarios.
- 4.12 Whilst we are obliged to enter into dialogue this approach is however unlikely to be successful and agreed to by any of our neighbouring authorities. Each is struggling to identify sufficient land to meet its own needs, regardless of any request to meet additional land to meet our shortfall. This option is most unlikely to achieve positive results.

Option 4 – Undertake Public Consultation on Growth Options

- 4.13 This option would involve undertaking a period of public consultation to assess the extent to which there was support for the each of the four growth scenarios, and then on the basis of the outcomes of this exercise take the production of a revised Local Plan forward. This approach would allow the District Council to set out the impacts of each scenario from the sustainability appraisal, and for residents and stakeholders to provide a view of each scenario.
- 4.14 This option would require a period of 2-3 months to undertake, before Members could further consider how best to address the results of such a public consultation exercise. Furthermore there is no guarantee that such an exercise would give a clear mandate to take the Plan forward, and inevitably there would be focus upon the location and

distribution of sites. It would be reverting to a process normally used at the start, not the end, of a Local Plan review. It would not achieve the identification of further sites.

Option 5 – Take a Pro-Active Approach to Achieving Growth

- 4.15 This Option would involve the District Council being much **more pro-active in its approach to seeking and allocating additional land for residential development** to meet economic and social recovery aspirations (i.e. additional to the 24 sites identified so far).
- 4.16 This could involve for example **developing options that would deliver housing led major infrastructure projects across the Local Plan area and/or considering the feasibility of bringing forward District Council led proposals for a New Village.** To do this piece of evidence gathering could delay the preparation of a revised Local Plan by 9-12 months whilst technical research etc. is undertaken.

Option 6 – Set Aside Flexibility Parameters

- 4.17 This option would involve setting aside the normal practice of building a flexibility requirement into the housing supply figures. On the basis of the above evidence this would enable the District Council to achieve the Baseline Growth scenario but still require the identification of additional land to meet the Recovery or Higher Growth scenarios.
- 4.18 However, this approach is likely to be challenged by the development industry and unlikely to be supported by an Inspector at Examination in Public. In all probability it not would result the Local Plan being found to be sound.
- 4.19 Experience indicates that for a number of potential sites allocate within the Local Plan there are deliverability issues. This indicates that a conservative view of flexibility is highly appropriate for the Derbyshire Dales. It is clear that losing any of the existing allocated sites could quickly render the Plan unadoptable.

5 CONCLUSIONS AND RECOMMENDATIONS

- 5.1 There is a complex relationship between growth in the local economy and the need for additional housing to ensure that there is adequate supply of economically active residents to deliver that future growth.
- 5.2 This report has demonstrated that, of the four housing need scenarios, only two of are considered to be of an appropriate scale to meet the economic and social recovery aspirations for the Derbyshire Dales set out in the District Council's Corporate Plan and other economic plans and strategies.
- 5.3 This report has indicated that on the basis of the available evidence at this time that the potential level of housing supply is not sufficient to deliver the District Council's growth aspirations. As such it is recommended that further research is undertaken, prior to the allocation of any new sites for residential development in the Local Plan.
- 5.4 The Local Plan Working Group at their meeting on 21st February 2002 considered this matter and were generally of the view that Option 5 was the most appropriate to

consider further, involving further consultation (i.e. utilising some of the principles of Option 4 too).

- 5.5 Paragraph 16 in the National Planning Policy framework sets out that in preparing Plans they should:
- a) be prepared with the objective of contributing to the achievement of sustainable development;
 - b) be prepared positively, in a way that is aspirational but deliverable;
 - c) be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;
- 5.6 As such, the approach that is being considered for the Local Plan for the period up to 2040 of aspirational but deliverable development is consistent with the NPPF. Similarly the desire to undertake public consultation as a means of shaping additional development within Derbyshire Dales is also consistent with the guidance in the NPPF.
- 5.7 However the District Council is not undertaking the preparation of a new Local Plan; rather it is completing the review of an existing adopted Local Plan and taking the plan period forward to 2040.
- 5.8 The completed review of the adopted Local Plan approved by Members at Council on 19th January 2022 did not alter the strategic approach to the achievement of sustainable development through the Settlement Hierarchy.
- 5.9 Public consultation that seeks views on the Growth Scenarios is unlikely to result in anything meaningful that the District Council could use to provide a clear mandate to the Local Plan going forward in its need to deliver sustainable development. It is therefore recommended that Option 4 is not taken forward at this time, but the principle of consultation is used when taking forward Option 5.
- 5.10 The evidence in this report indicates that **if Members wish to achieve the level of economic and social recovery that their adopted strategies and plans seek, then additional land for residential development (beyond the 24 sites identified so far) needs to be identified and allocated within the Local Plan.** As such it is **recommended that Option 5 should be taken forward** as a priority action at this time, as set out in paragraphs 4.15 and 4.16 above. It is further recommended that delegated authority be given to the Director of Regeneration and Policy to commission consultants to undertake a more detailed assessment of options for the delivery of a sustainable Derbyshire Dales that meets its agreed aspirations for growth.
- 5.11 Public Consultation is a statutory requirement as part of the preparation of a Local Plan. It is considered that public consultation should take place as part of the process set out in Paragraph 5.10 above when more proactive options for future growth can be considered and debated further.
- 5.12 On the basis of these recommendations it is considered that the following timetable is appropriate for taking forward the Local Plan:

Milestone	Date
Completion of Additional Options Appraisal	May 2023
Draft Modifications	October 2023
Draft Submission Modifications	April 2024
Submit Modifications to Secretary of State	June 2024
Examination in Public (End)	October 2024
Adoption of Modifications	December 2024

6 RISK ASSESSMENT

6.1 Legal

The preparation of a Local Plan will need to be taken forward in accordance with the requirements of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). This is a statutory requirement and the proposals accord with the provisions of the relevant legislation.

At the current time, the legal risk connected to this report as has been assessed as low.

6.2 Financial

The cost of commissioning consultants to undertake the scope of work identified in this report will be in the order of £50,000 to £60,000. There is no current revenue budget to cover these additional costs, so a supplementary revenue estimate would be required for 2022/23. This could, however be funded from the existing Local Plan Reserve. This would reduce its forecast balance to approximately £100,000 at 31 March 2023. However, there this is expected to be sufficient for future requirements.

The financial risk is therefore assessed as low.

6.3 Corporate

The Local Plan is one of the pivotal tools for delivery the District Council's Corporate Plan aspirations. A Local Plan which does not meet these aspirations could lead to reputational damage, as well as a failure to deliver growth necessary to maintain the sustainability of the Derbyshire Dales. Whilst the recommendations in this report may result in delays to the finalisation of the revised Local Plan, any longer delays are likely to expose the District Council to significant risk in relation to its ability to make and defend decisions on planning applications.

7 OTHER CONSIDERATIONS

- 7.1 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 CLIMATE CHANGE

- 8.1 Recommendation Two sets out how more detailed assessment of options for the delivery of a sustainable Derbyshire Dales that meets agreed aspirations may be undertaken. A full climate change impact assessment has not been carried out at this time as there is not yet sufficient detail available to understand the climate change impacts of any changes to the Local Plan in respect of site allocations and housing need.
- 8.2 A detailed Sustainability Appraisal (SA) is underway. As set out in 1.5 'The purpose of the Sustainability Appraisal being to assess the likely social, environmental and economic effects of the growth options, both positive and negative and to ensure that decisions are made which contribute towards achieving sustainable development'
- 8.3 The assessment objectives of the SA set out clearly how climate change impacts and adaptation will be considered - SA4 'To support the development of linked green spaces and make provision for their long-term management', SA5: 'To minimise energy use and to develop the area's renewable energy resource in order to reduce contributions to climate change' and SA11: 'To provide everybody with access to an affordable home which is resilient to the effects of climate change'
- 8.4 All sites will be reviewed against these objectives during the ongoing detailed assessment work, as set out in 4.15 and 4.16. This proactive approach should ensure that the District Council meets the three overarching objectives of the NPPF – economic, social and environmental - in a mutually supportive ways. It also presents a potential opportunity to design 'in' the measures such as low carbon infrastructure and enhanced biodiversity net gain as part of housing led major infrastructure projects.
- 8.5 The review of the Local Plan will be subject to ongoing scrutiny, as per the timetable set out in 5.12.

9 CONTACT INFORMATION

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Tel:01629 761251 E-mail: mike.hase@derbyshiredales.gov.uk

10 BACKGROUND PAPERS

Description	Date	Location
Adopted Derbyshire Dales Local Plan	December 2017	https://www.derbyshiredales.gov.uk/images/L/DDDC_Planning_Doc_2018_vweb2.pdf

National Planning Policy Framework	July 2021	https://www.gov.uk/guidance/national-planning-policy-framework
Planning Practice Guidance	June 2021	https://www.gov.uk/government/collections/planning-practice-guidance
Report to Council on Local Plan Review	November 2020	https://www.derbyshiredales.gov.uk/images/AGENDA_09-11-2020_Local_Plan_Review_7pm.pdf
Report to Council on Local Plan Review	19 th January 2022	https://www.derbyshiredales.gov.uk/images/2022-01-19_AGENDA_Council_E.pdf
Report on Housing Need Requirements – Icení Projects	September 2021	https://www.derbyshiredales.gov.uk/images/DDDC_Housing_Study_Final_Report_clean.pdf
Report on Employment and Retail Needs – Icení Projects	July 2021	https://www.derbyshiredales.gov.uk/images/Derby_Dales_ELR_final_July_2021_clean.pdf https://www.derbyshiredales.gov.uk/images/documents/R/DDDC_Retail_Study_Final.pdf
Initial Strategic Housing Land Availability Assessment	March 2022	

11 ATTACHMENTS

APPENDIX 1 – LIST OF POTENTIAL SITES

APPENDIX 2 – SITE LOCATIONS

APPENDIX 3 – DRAFT SITE PHASING 2021-2040

APPENDIX 4 – DRAFT FIVE YEAR LAND SUPPLY CALCULATIONS 2021-2026

APPENDIX 1 – LIST OF POTENTIAL SITES

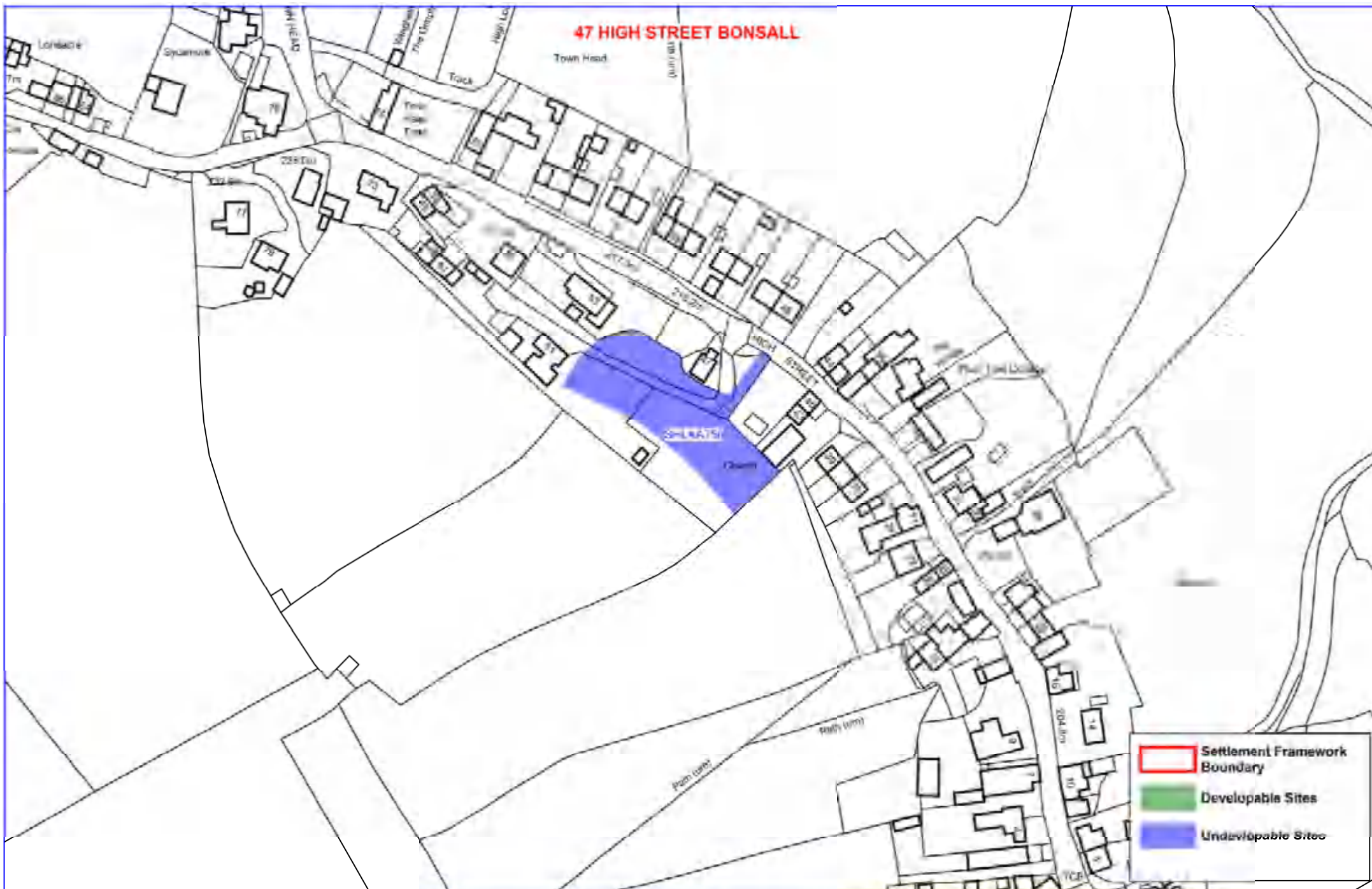
	SHLAA Number	Site address	Settlement	Potential Capacity	Comments
1	SHLAA313	Land off Cavendish Drive, Ashbourne	Ashbourne	28	Existing Allocation
2	SHLAA266	Ashbourne Airfield Ashbourne Road Ashbourne	Ashbourne	1100	Existing Allocation
3	SHLAA204	Ashbourne Lodge, Derby Road, Ashbourne	Ashbourne	20	Existing Allocation
4	SHLAA767	Leys Farm, Wyaston Road Ashbourne	Ashbourne	22	
5	SHLAA479	Land to the east of Luke Lane and south of Mercaston Lane, Brailsford	Brailsford	20	
6	SHLAA180	Land South West Of Normanhurst Park Darley Dale Derbyshire	Darley Dale	20	Existing Allocation
7	SHLAA172	Land East Of Old Hackney Lane Hackney Derbyshire	Darley Dale	27	Existing Allocation
8	SHLAA281	Stancliffe Quarry, Dale Road North, Darley Dale, Matlock	Darley Dale	100	Existing Allocation
9	SHLAA179	Land adjacent Cavendish Cottage, Derby Road, Doveride	Doveridge	46	Existing Allocation
10	SHLAA348	Land Adjacent to New Marston Lane Doveridge	Doveridge	18	Existing Allocation
11	SHLAA322	Land Adjacent, Biggin View, Hulland View Ashbourne	Hulland Ward	18	
12	SHLAA761	High Meadow Hulland Ward Ashbourne Derby	Hulland Ward	15	

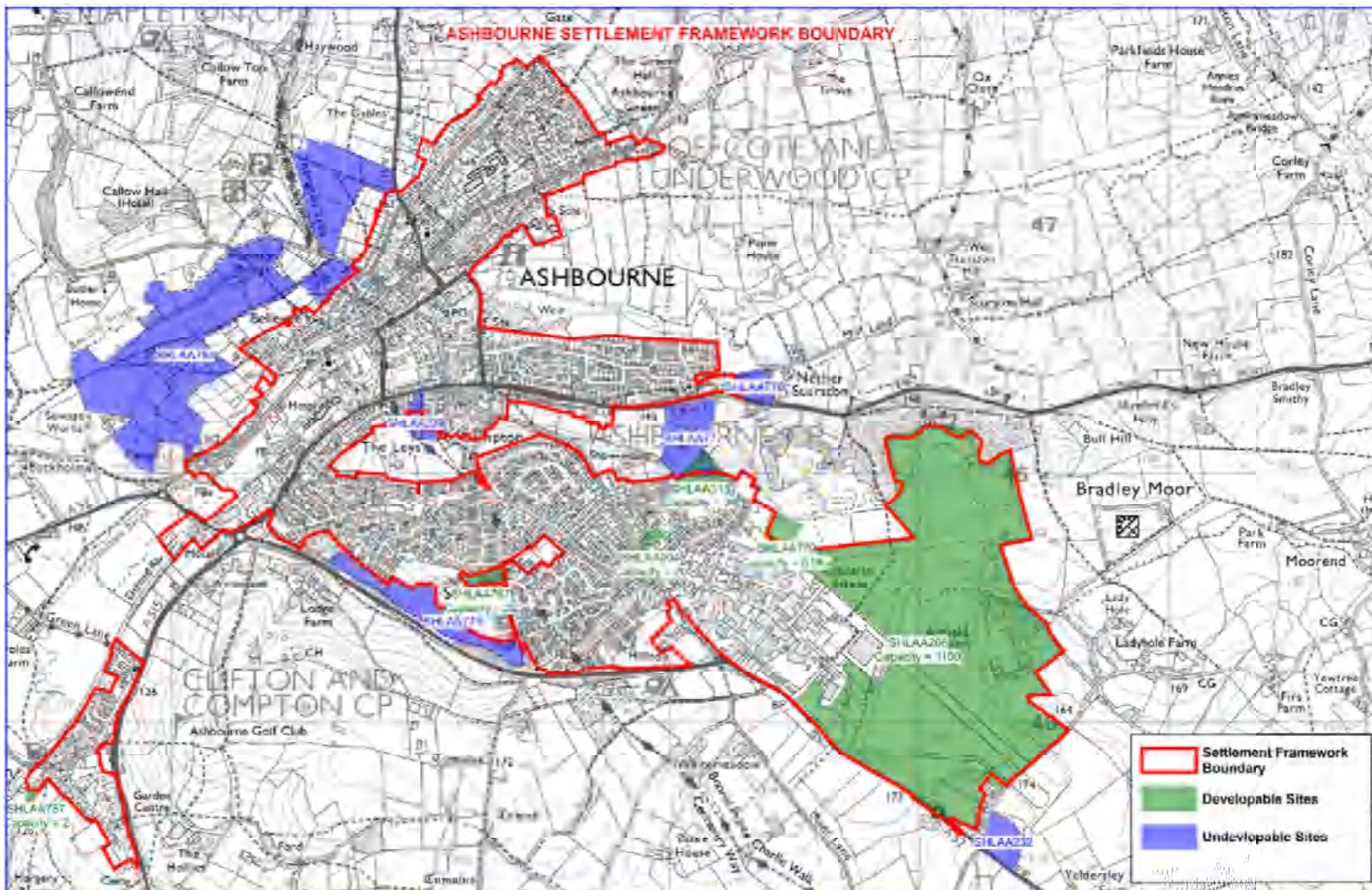
APPENDIX 1 – LIST OF POTENTIAL SITES

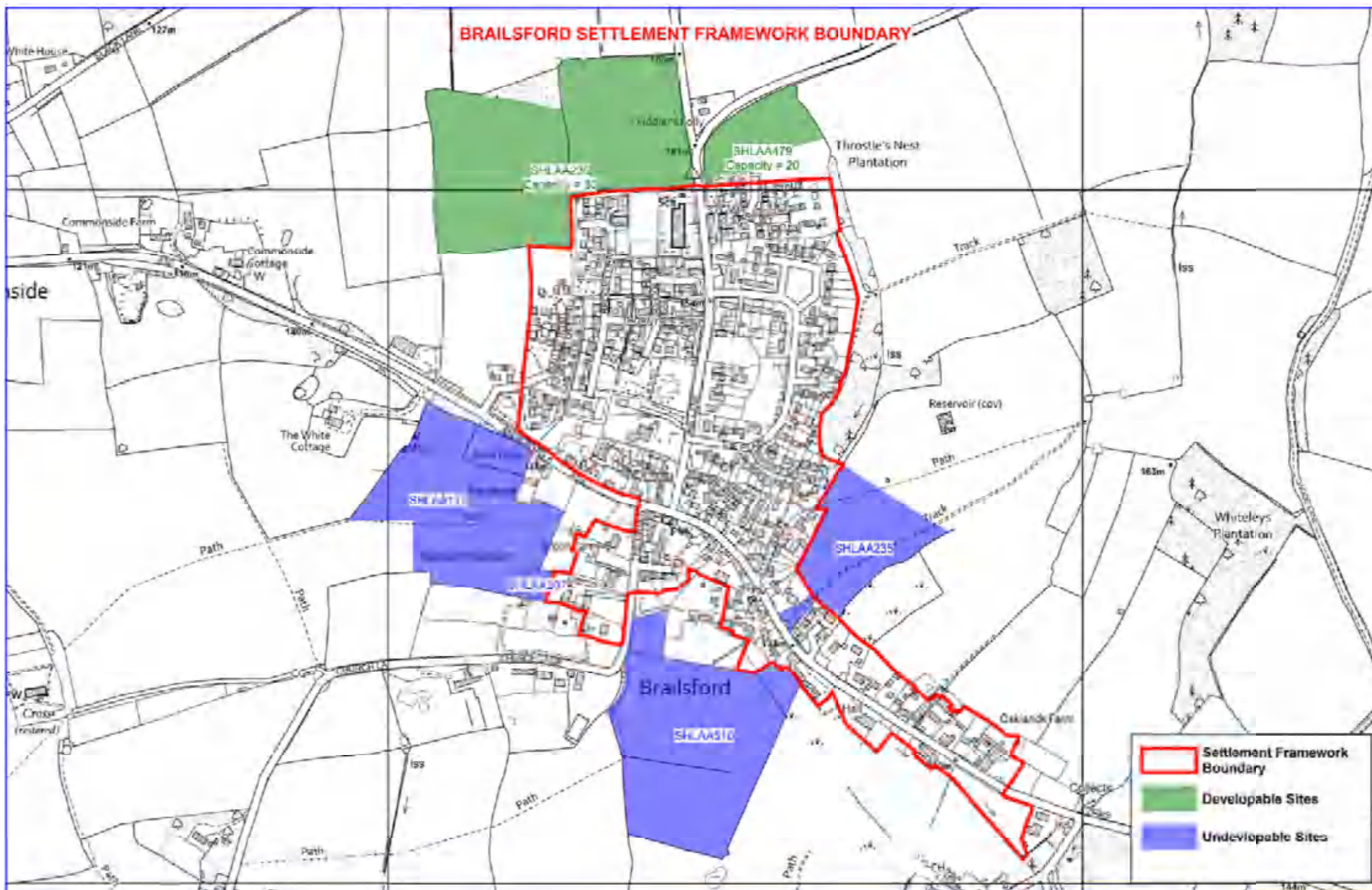
	SHLAA Number	Site address	Settlement	Potential Capacity	Comments
13	SHLAA435	Land at Halldale Quarry, Snitterton Road, Matlock	Matlock	220	Existing Allocation
14	SHLAA224	Land at Gritstone Road and Pinewood Road, Matlock Derbyshire	Matlock	430	Existing Allocation
15	SHLAA344	RBS 8-10 snitterton road	Matlock	24	Existing Allocation
16	SHLAA302	Land South of Chesterfield Road, Matlock	Matlock	64	
17	SHLAA471	Land to the north of Porter Lane, east of Main Street, Middleton	Middleton	45	Existing Allocation
18	SHLAA331	Matlock Transport Northwood Lane Darley Dale Derbyshire	Northwood and Tinkersley	12	
19	SHLAA468	Land to east of Northwood Recreation Ground off The Avenue Northwood and Tinkersley	Northwood and Tinkersley	20	
20	SHLAA467	Land off Tansley House Gardens, Tansley, Derbyshire	Tansley	49	Existing Allocation – Site has benefit of planning permission
21	SHLAA268	Land at Thatchers Croft Tansley Matlock	Tansley	19	Existing Allocation
22	SHLAA269	Land off Middleton Road and Cromford Road, Wirksworth, Derbyshire	Wirksworth	150	Existing Allocation

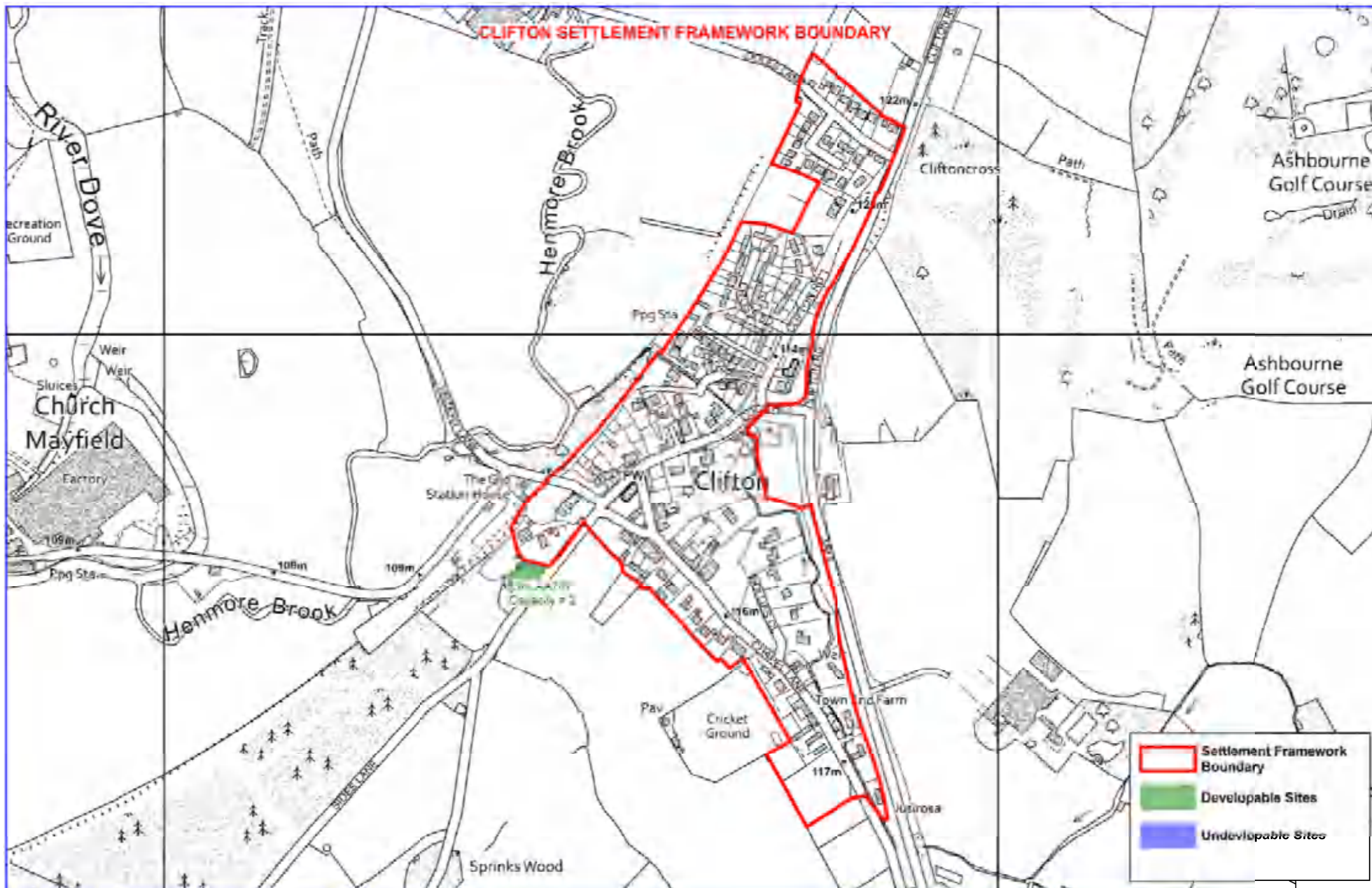
APPENDIX 1 – LIST OF POTENTIAL SITES

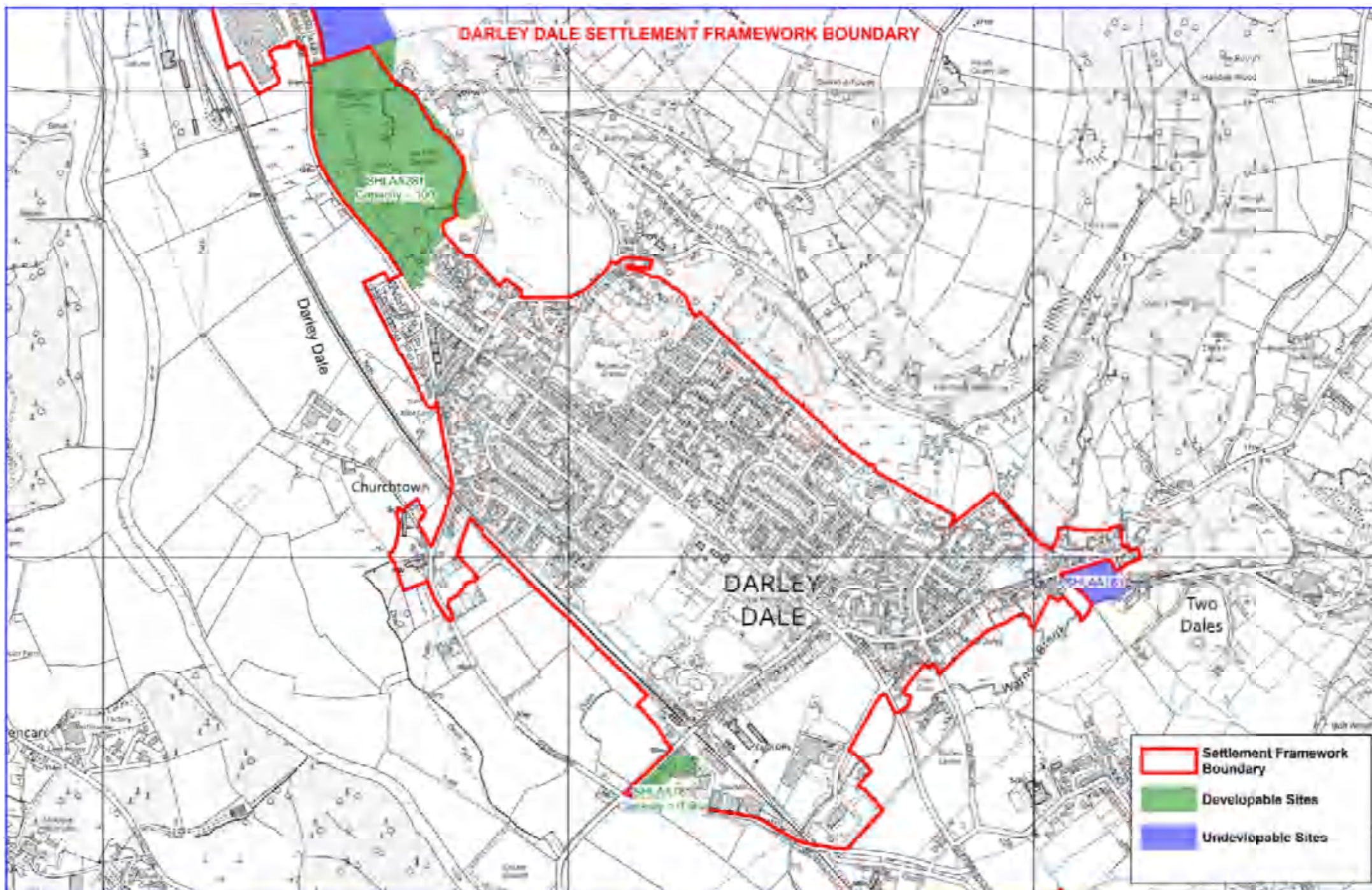
	SHLAA Number	Site address	Settlement	Potential Capacity	Comments
23	SHLAA473	Land at Middle Peak Quarry, Wirksworth, Derbyshire	Wirksworth	645	Existing Allocation
24	SHLAA236		Brailsford	30	
			TOTAL	3142	

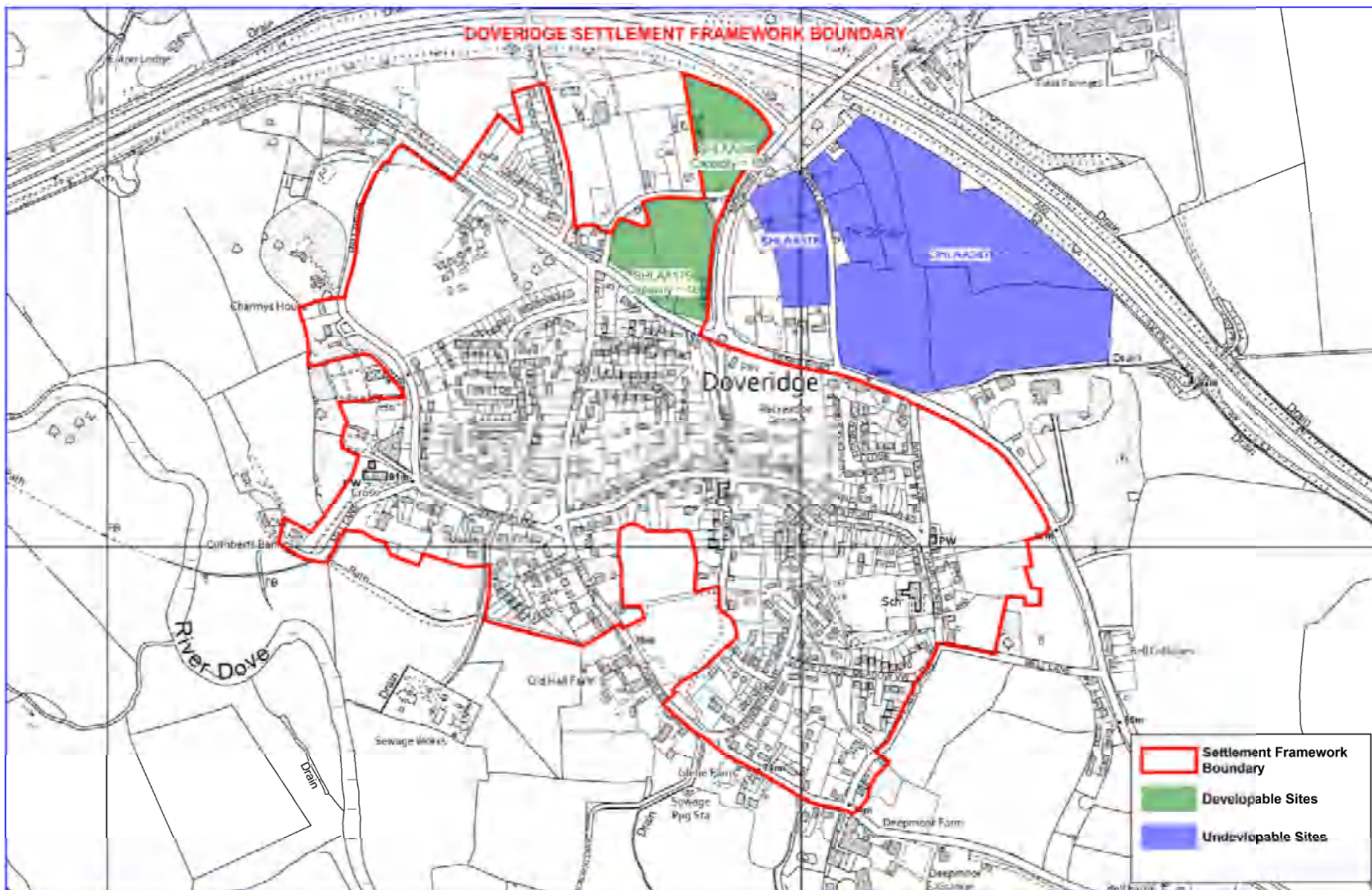


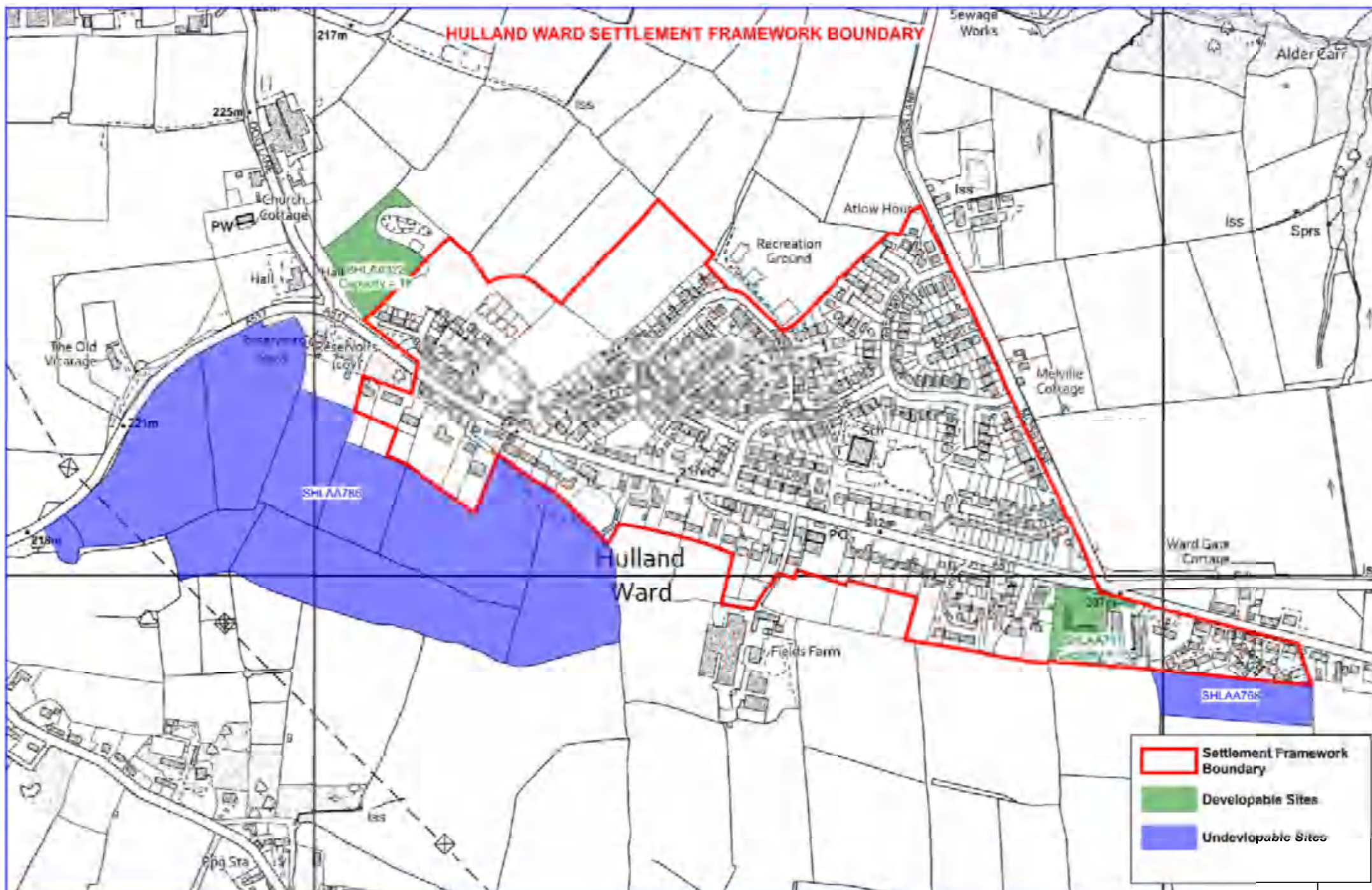




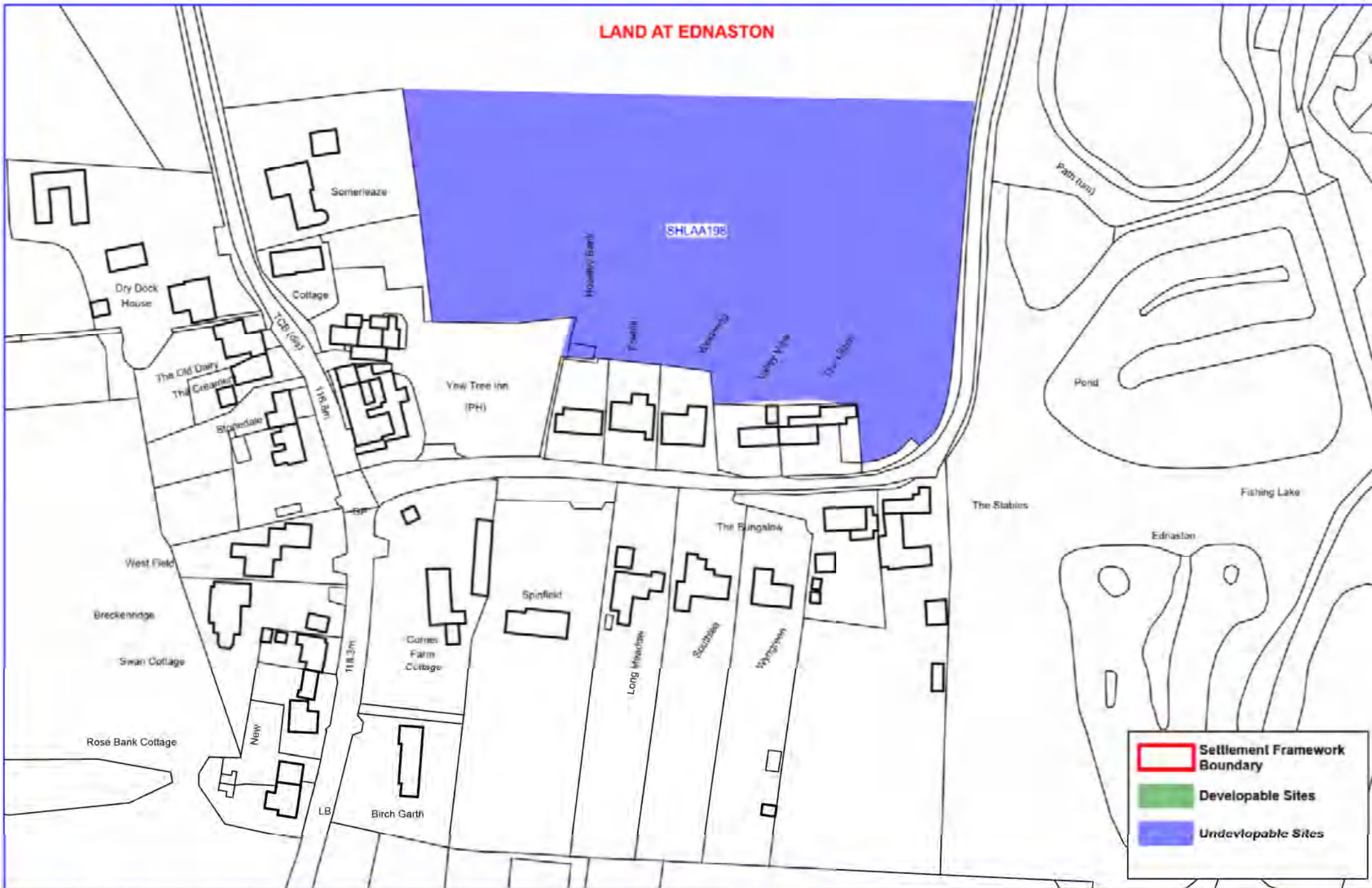


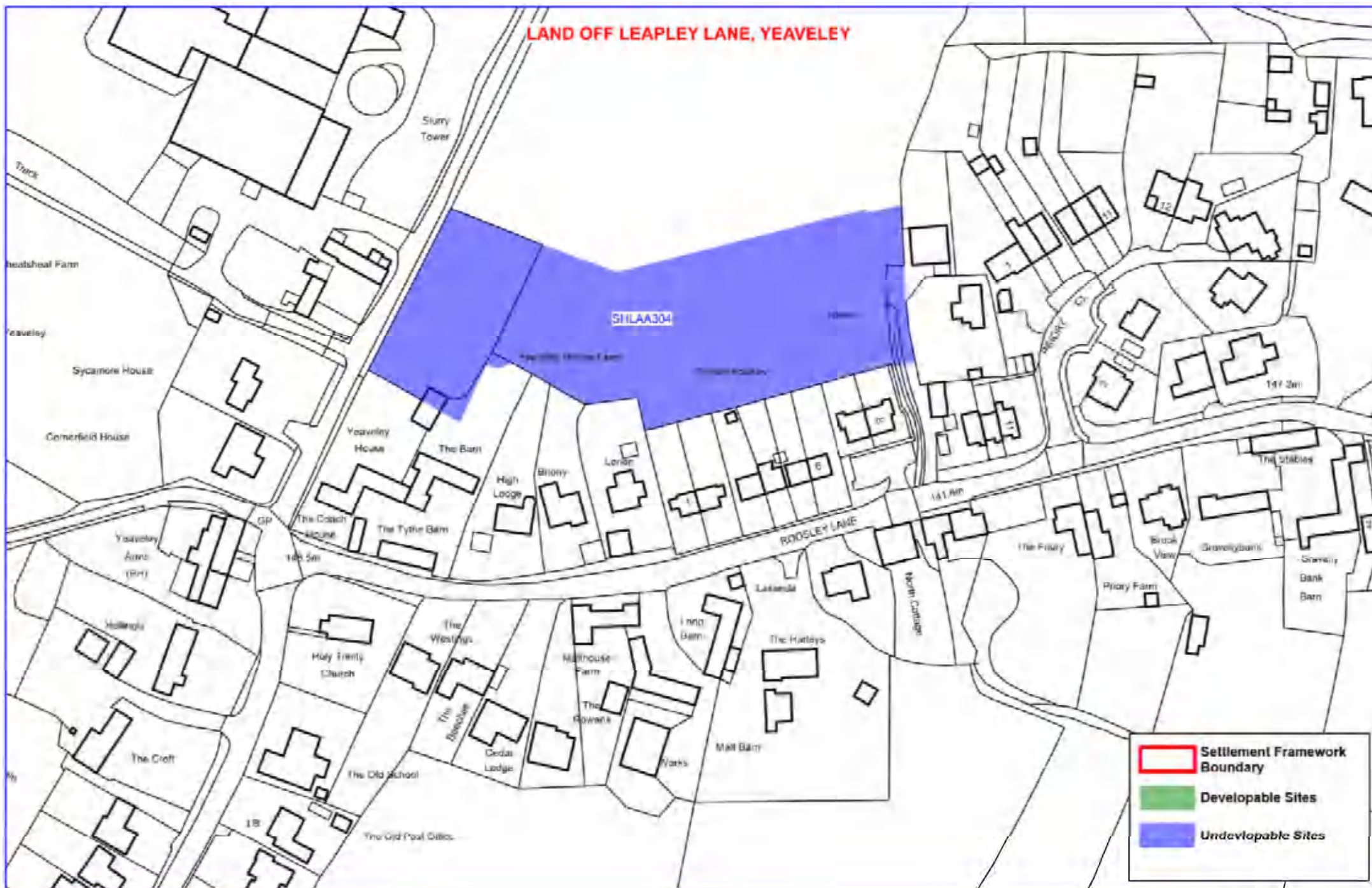


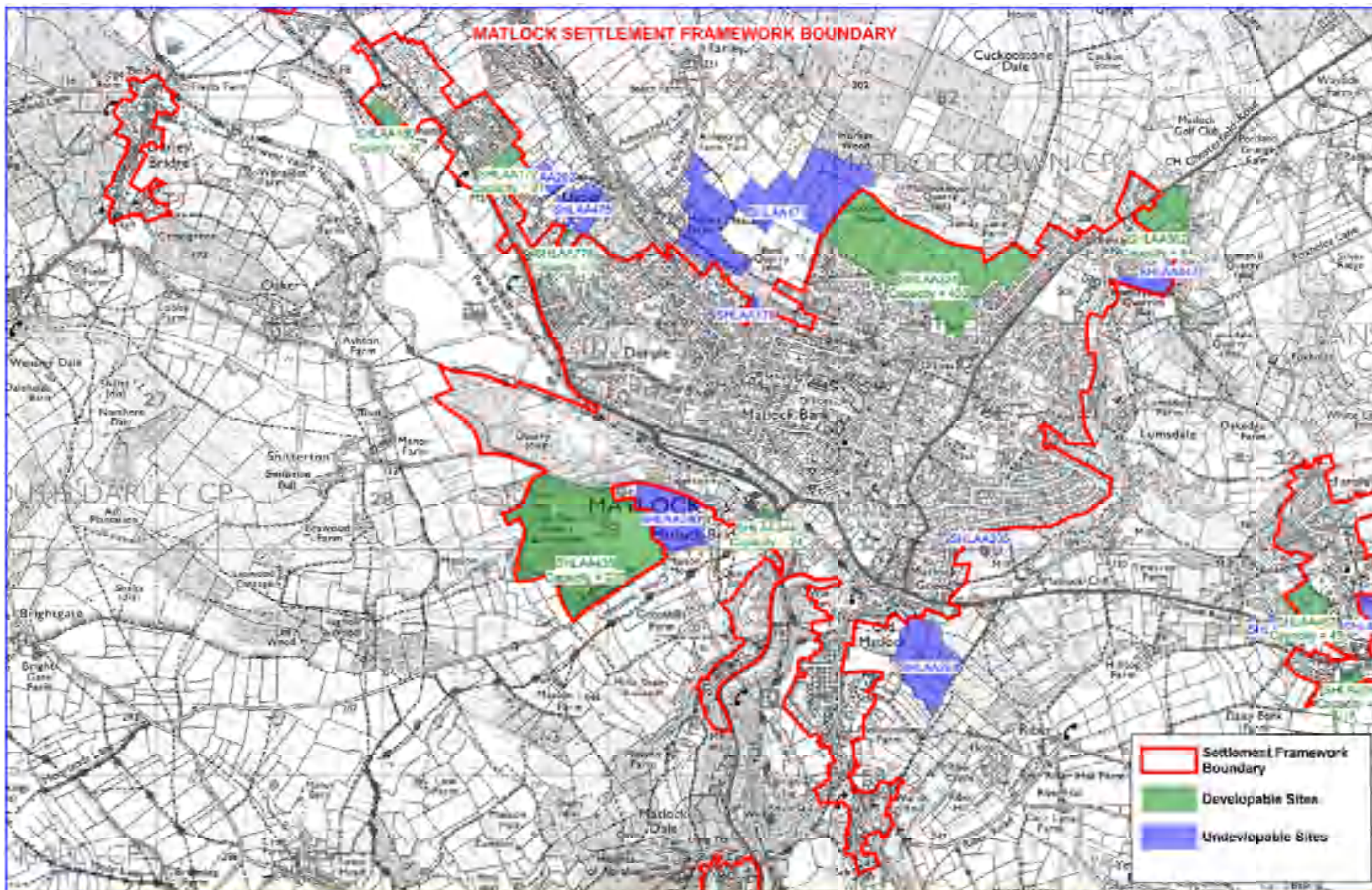


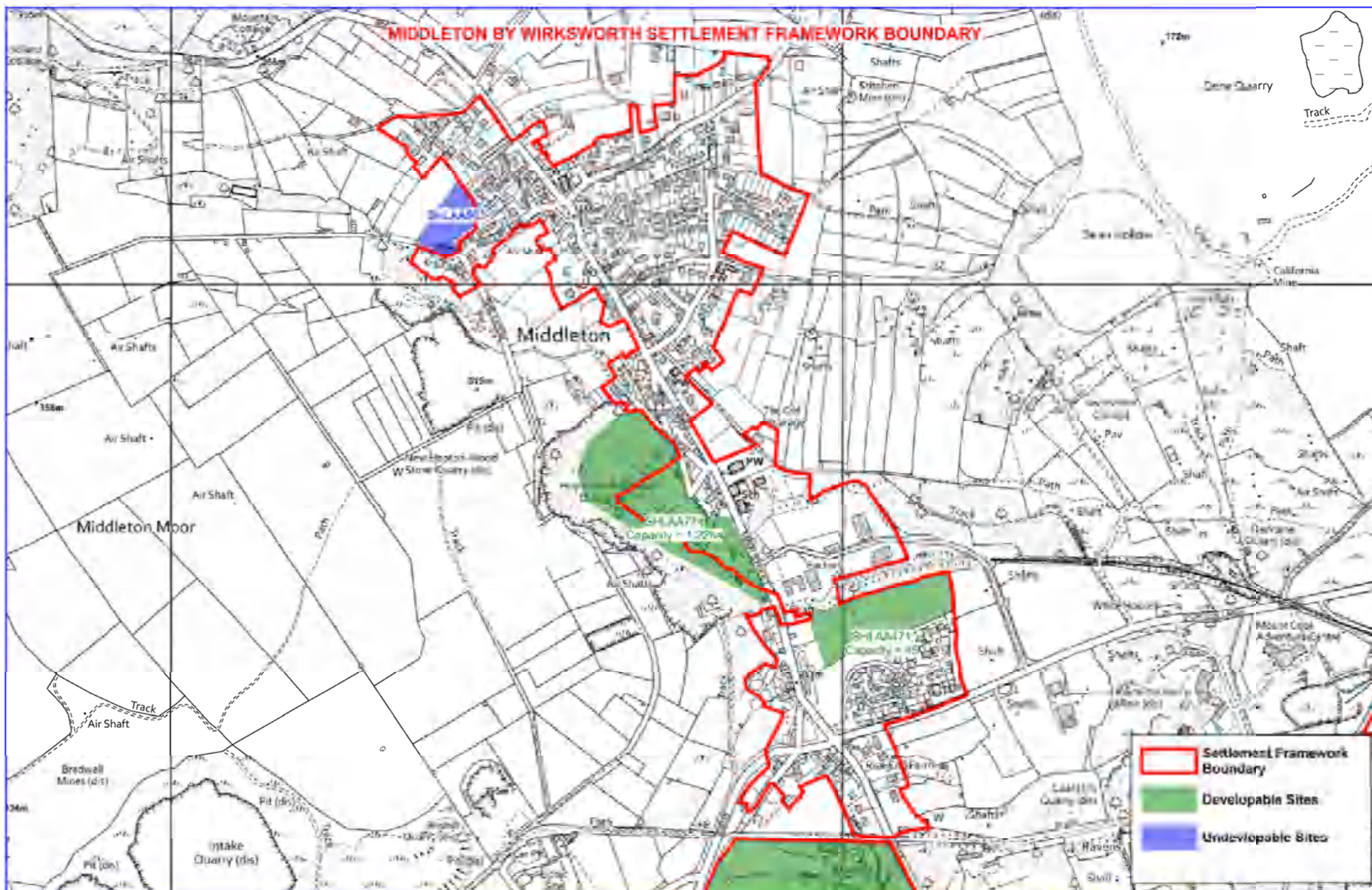


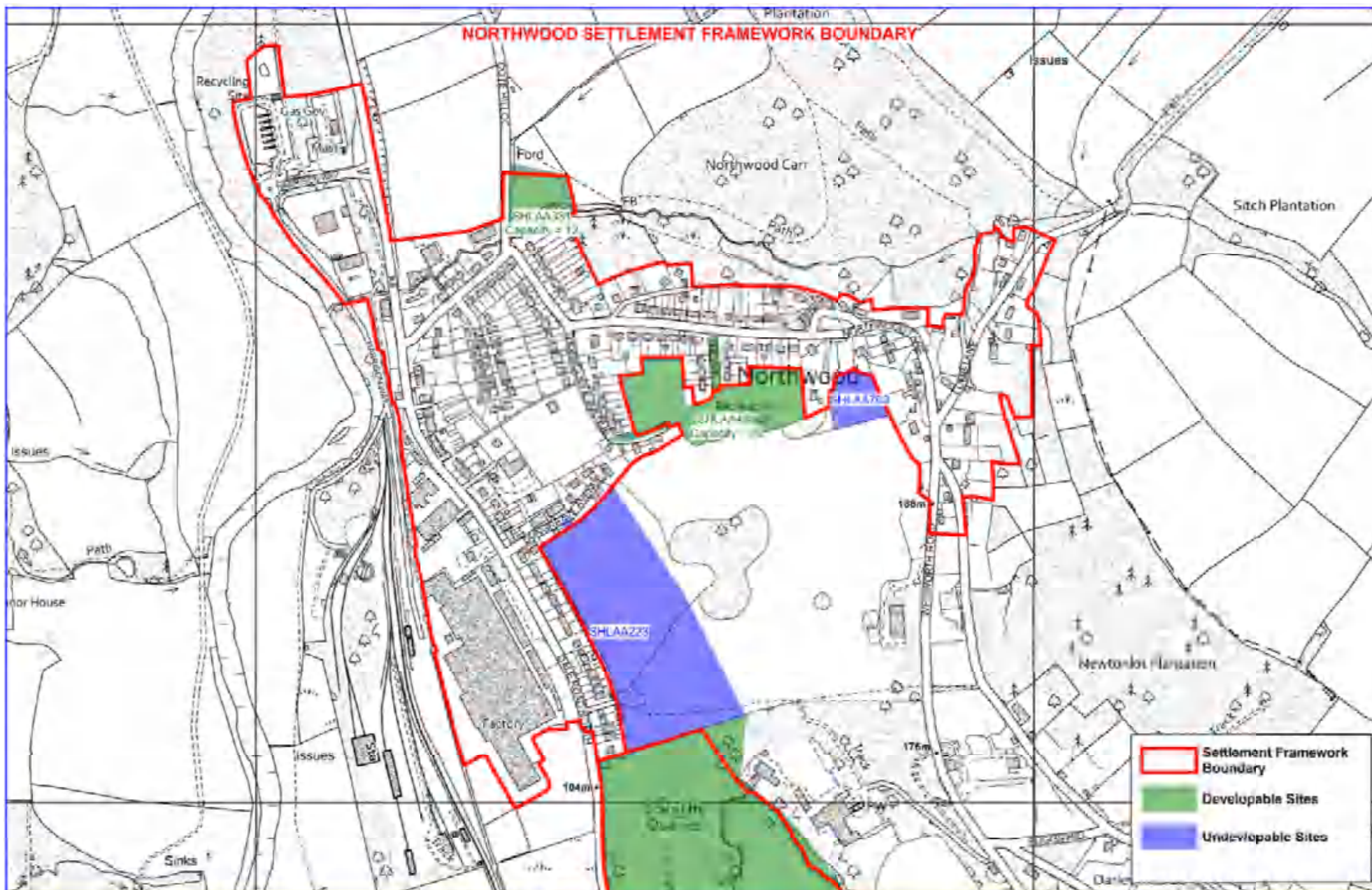
LAND AT EDNASTON

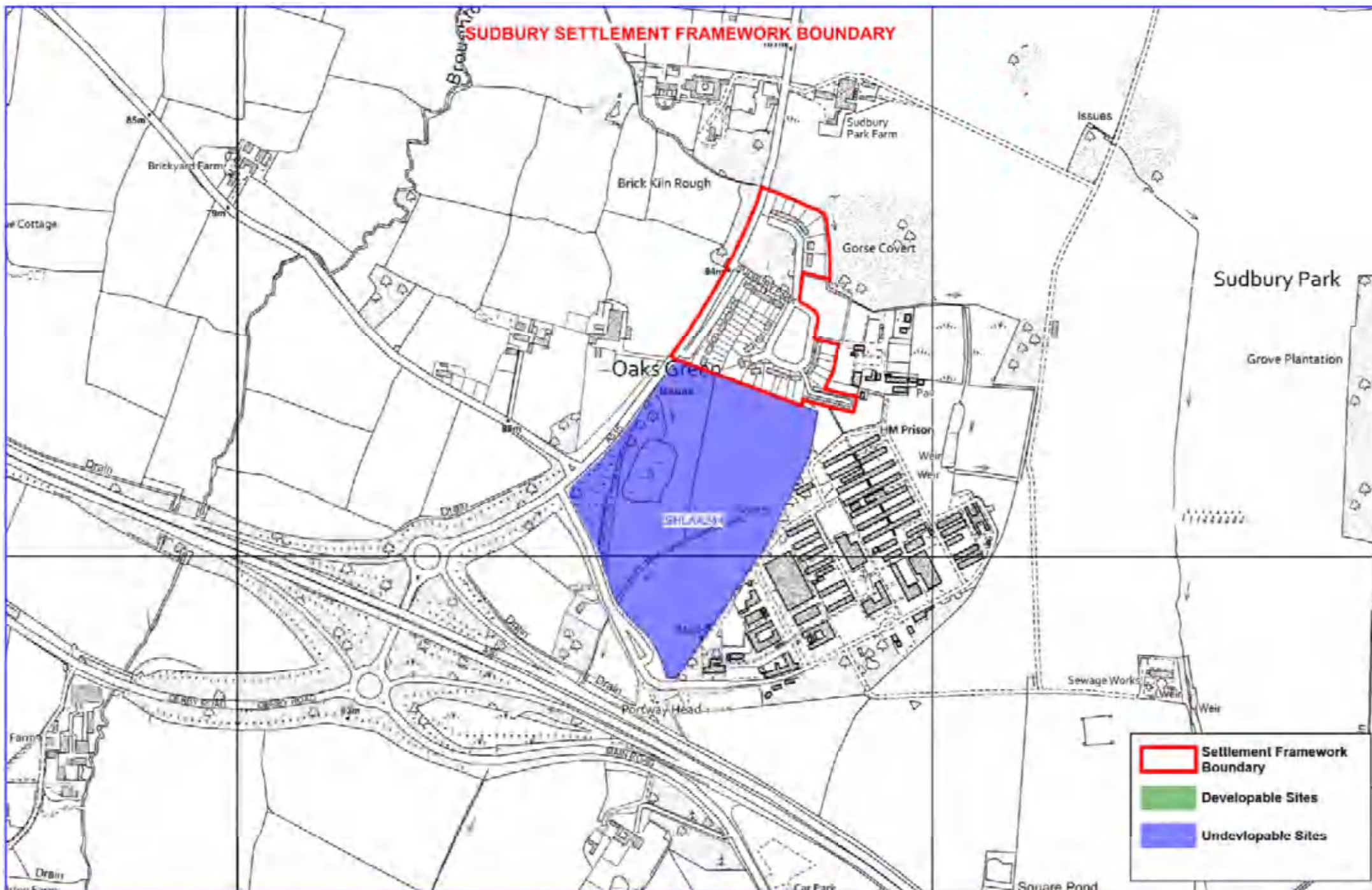


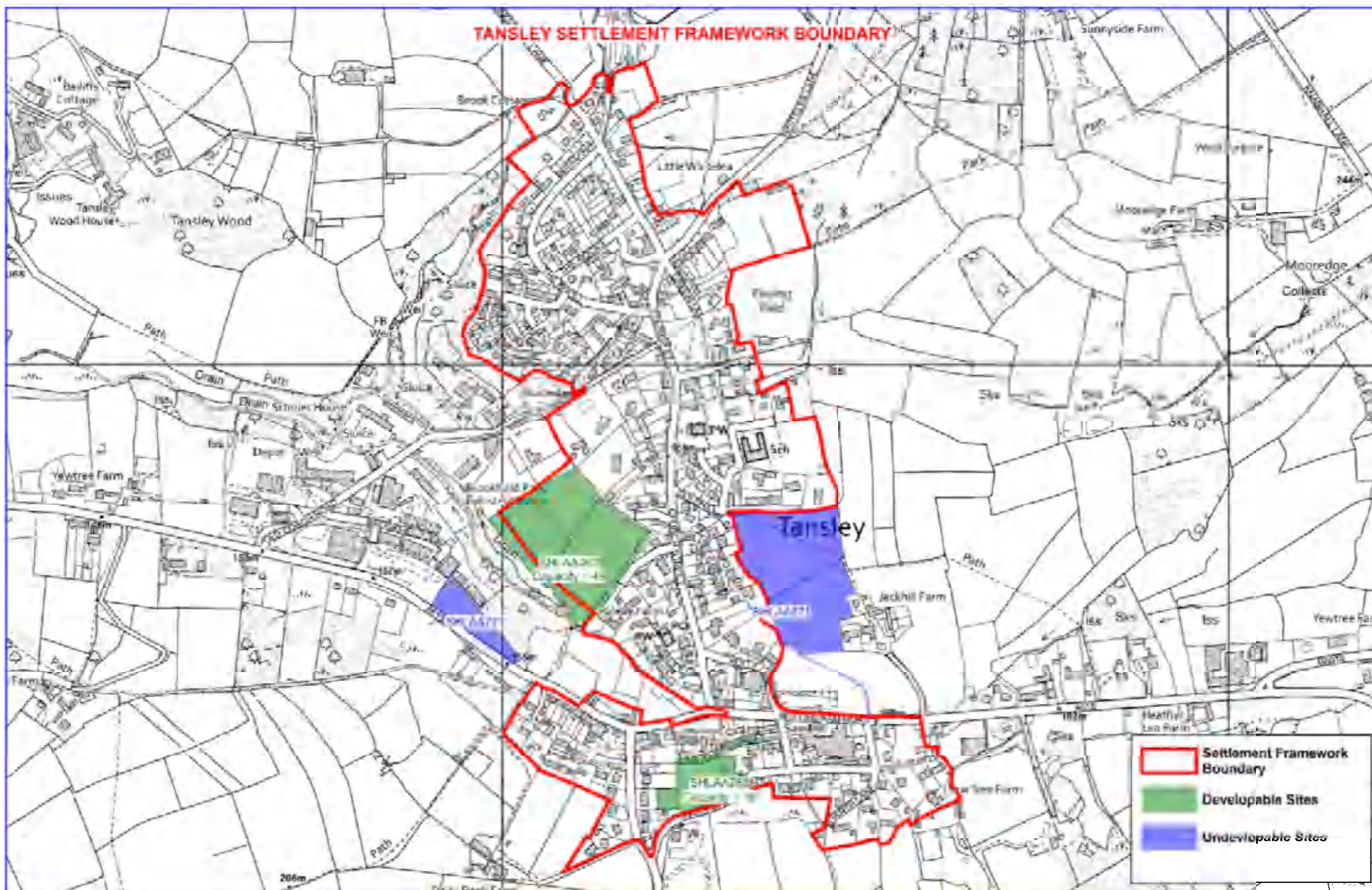












APPENDIX 3 – SITE PHASING 2021-2040

SHLAA	Site address	Capacity	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	2037 /38	2038 /39	2039 /40	2040 plus
SHLAA313	Land off Cavendish Drive, Ashbourne	28						14	14													
SHLAA266	Ashbourne Airfield Ashbourne Road Ashbourne	1100							20	40	40	40	80	80	80	80	80	80	80	80	80	240
SHLAA204	Ashbourne Lodge, Derby Road, Ashbourne	20					10	10														
SHLAA767	Leys Farm, Wyaston Road Ashbourne	22			22																	
SHLAA479	Land to the east of Luke Lane and south of Mercaston Lane, Brailsford	20			10	10																
SHLAA180	Land South West Of Normanhurst Park Darley Dale Derbyshire	20							10	10												
SHLAA172	Land East Of Old Hackney Lane Hackney Derbyshire	27			13	14																
SHLAA281	Stancliffe Quarry, Dale Road North, Darley Dale, Matlock	100							25	30	30	15										
SHLAA179	Land adjacent Cavendish Cottage, Derby Road, Doveride	46				23	23															
SHLAA348	Land Adjacent to New Marston Lane Doveridge	18					18															
SHLAA322	Land Adjacent, Biggin View, Hulland View Ashbourne	18					10	8														

APPENDIX 3 – SITE PHASING 2021-2040

SHLAA	Site address	Capacity	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	2037 /38	2038 /39	2039 /40	2040 plus
SHLAA761	High Meadow Hulland Ward Ashbourne Derby	15					8	7														
SHLAA435	Land at Halldale Quarry, Snitterton Road, Matlock	220						20	50	50	50	50										
SHLAA224	Land at Gritstone Road and Pinewood Road Matlock Derbyshire	430						50	50	50	50	50	50	50	50	30						
SHLAA344	RBS 8-10 snitterton road	24			10	14																
SHLAA302	Land South of Chesterfield Road, Matlock	64				8	32	24														
SHLAA471	Land to the north of Porter Lane, east of Main Street, Middleton	45							20	25												
SHLAA331	Matlock Transport Northwood Lane Darley Dale Derbyshire	12				12																
SHLAA468	Land to east of Northwood Recreation Ground off The Avenue Northwood and Tinkersley	20			5	15																
SHLAA467	Land off Tansley House Gardens, Tansley, Derbyshire	0																				
SHLAA268	Land at Thatchers Croft Tansley Matlock	19			9	10																
SHLAA269	Land off Middleton Road and Cromford Road, Wirksworth, Derbyshire	150						30	30	30	30	30										

APPENDIX 3 – SITE PHASING 2021-2040

SHLAA	Site address	Capacity	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	2037 /38	2038 /39	2039 /40	2040 plus
SHLAA473	Land at Middle Peak Quarry, Wirksworth, Derbyshire	645							40	40	40	50	50	50	50	50	50	50	60	60	55	
SHLAA236		30					15	15														
		3093	0	0	69	106	116	178	259	275	240	235	180	180	180	160	130	130	140	140	135	240

	Objectively Assessed Housing Need 2017-2040	5290
	Annual Housing Requirement	230
A	Total Housing Need 2021 to 2026 : No. dwellings per annum x 5 years	1150
	Shortfall in Housing Provision between 1st April 2013 and 31st March 2021	
B	Dwellings required between 1st April 2017 and 31st March 2021 = (A) divided by 5 multiplied by 4 years	920
C	New dwellings completed between 1st April 2017 - 31st March 2021	1454
D	PDNP New dwellings completed between 1st April 2017 - 31st March 2021	129
E	Shortfall between requirement (B) and total completions (C)+(D)	-663
F	Revised housing requirement for period 2021-2026 (A plus E)	487
G	Plus 10% Buffer (NPPF Advice)	49
H	Five Year Requirement 2021-2026	536
I	Revised Annual Requirement 1st April 2021 - 31st March 2026	107
	Housing Supply 2021	
J	Commitments at 31 st March 2021 (Net) 2021-2026	894
K	Peak District National Park Contributions	100
L	Windfall Contribution (5 x 15 p.a.)	75
M	Local Plan Allocations Potential 2021-2026 (0-5 Years)	291
N	Total Supply 2021 - 2026 (J+K+L+M)	1360
O	Five Year Supply 2021-2026 (N divided by I)	12.69

	Objectively Assessed Housing Need 2017-2040	5497
	Annual Housing Requirement	239
A	Total Housing Need 2021 to 2026 : No. dwellings per annum x 5 years	1195
	Shortfall in Housing Provision between 1st April 2013 and 31st March 2021	
B	Dwellings required between 1st April 2017 and 31st March 2021 = (A) divided by 5 multiplied by 4 years	956
C	New dwellings completed between 1st April 2017 - 31st March 2021	1454
D	PDNP New dwellings completed between 1st April 2017 - 31st March 2021	129
E	Shortfall between requirement (B) and total completions (C)+(D)	-627
F	Revised housing requirement for period 2021-2026 (A plus E)	568
G	Plus 10% Buffer (NPPF Advice)	57
H	Five Year Requirement 2021-2026	625
I	Revised Annual Requirement 1st April 2021 - 31st March 2026	125
	Housing Supply 2021	
J	Commitments at 31 st March 2021 (Net) 2021-2026	894
K	Peak District National Park Contributions	100
L	Windfall Contribution (5 x 15 p.a.)	75
M	Local Plan Allocations Potential 2021-2026 (0-5 Years)	291
N	Total Supply 2021 - 2026 (J+K+L+M)	1360
O	Five Year Supply 2021-2026 (N divided by I)	10.88

	Objectively Assessed Housing Need 2017-2040	6325
	Annual Housing Requirement	275
A	Total Housing Need 2021 to 2026 : No. dwellings per annum x 5 years	1375
	Shortfall in Housing Provision between 1st April 2013 and 31st March 2021	
B	Dwellings required between 1st April 2017 and 31st March 2021 = (A) divided by 5 multiplied by 4 years	1100
C	New dwellings completed between 1st April 2017 - 31st March 2021	1454
D	PDNP New dwellings completed between 1st April 2017 - 31st March 2021	129
E	Shortfall between requirement (B) and total completions (C)+(D)	-483
F	Revised housing requirement for period 2021-2026 (A plus E)	892
G	Plus 10% Buffer (NPPF Advice)	89
H	Five Year Requirement 2021-2026	981
I	Revised Annual Requirement 1st April 2021 - 31st March 2026	196
	Housing Supply 2021	
J	Commitments at 31 st March 2021 (Net) 2021-2026	894
K	Peak District National Park Contributions	100
L	Windfall Contribution (5 x 15 p.a.)	75
M	Local Plan Allocations Potential 2021-2026 (0-5 Years)	291
N	Total Supply 2021 - 2026 (J+K+L+M)	1360
O	Five Year Supply 2021-2026 (N divided by I)	6.93

	Objectively Assessed Housing Need 2017-2040	6946
	Annual Housing Requirement	302
A	Total Housing Need 2021 to 2026 : No. dwellings per annum x 5 years	1510
	Shortfall in Housing Provision between 1st April 2013 and 31st March 2021	
B	Dwellings required between 1st April 2017 and 31st March 2021 = (A) divided by 5 multiplied by 4 years	1208
C	New dwellings completed between 1st April 2017 - 31st March 2021	1454
D	PDNP New dwellings completed between 1st April 2017 - 31st March 2021	129
E	Shortfall between requirement (B) and total completions (C)+(D)	-375
F	Revised housing requirement for period 2021-2026 (A plus E)	1135
G	Plus 10% Buffer (NPPF Advice)	114
H	Five Year Requirement 2021-2026	1249
I	Revised Annual Requirement 1st April 2021 - 31st March 2026	250
	Housing Supply 2021	
J	Commitments at 31 st March 2021 (Net) 2021-2026	894
K	Peak District National Park Contributions	100
L	Windfall Contribution (5 x 15 p.a.)	75
M	Local Plan Allocations Potential 2021-2026 (0-5 Years)	291
N	Total Supply 2021 - 2026 (J+K+L+M)	1360
O	Five Year Supply 2021-2026 (N divided by I)	5.45

	Objectively Assessed Housing Need 2017-2040	6003
	Annual Housing Requirement	261
A	Total Housing Need 2021 to 2026 : No. dwellings per annum x 5 years	1305
	Shortfall in Housing Provision between 1st April 2013 and 31st March 2021	
B	Dwellings required between 1st April 2017 and 31st March 2021 = (A) divided by 5 multiplied by 4 years	1044
C	New dwellings completed between 1st April 2017 - 31st March 2021	1454
D	PDNP New dwellings completed between 1st April 2017 - 31st March 2021	129
E	Shortfall between requirement (B) and total completions (C)+(D)	-539
F	Revised housing requirement for period 2021-2026 (A plus E)	766
G	Plus 10% Buffer (NPPF Advice)	77
H	Five Year Requirement 2021-2026	843
I	Revised Annual Requirement 1st April 2021 - 31st March 2026	169
	Housing Supply 2021	
J	Commitments at 31 st March 2021 (Net) 2021-2026	894
K	Peak District National Park Contributions	100
L	Windfall Contribution (5 x 15 p.a.)	75
M	Local Plan Allocations Potential 2021-2026 (0-5 Years)	291
N	Total Supply 2021 - 2026 (J+K+L+M)	1360
O	Five Year Supply 2021-2026 (N divided by I)	8.07

COUNCIL
24 MARCH 2022

Report of the Director of Regeneration and Policy

LANDSCAPES REVIEW NATIONAL PARKS AND AONBS: CONSULTATION ON THE GOVERNMENT RESPONSE

SUMMARY

This report presents Members with the details of the Government Response to the Landscapes Review, (also known as the Glover Report). It sets out a proposed set of responses to the consultation questionnaire for submission to the Secretary of State by the deadline of 9th April 2022.

RECOMMENDATION

1. That the suggested responses to the questionnaire in Appendix Two are approved and forwarded to DEFRA by the 9th April deadline.

WARDS AFFECTED

All Wards within the Peak District National Park.

STRATEGIC LINK

The reorganisation of the Peak District National Park governance arrangements as a consequence of the National Landscapes Review may have a significant influence upon the delivery of the Council's Corporate Plan, particularly business growth, job creation and the delivery of affordable housing.

1. BACKGROUND

- 1.1 The [Landscapes Review](#) led by Julian Glover and panel was published in 2019. This was a comprehensive review of designated landscapes, including the National Parks, commissioned by the Government in 2018 in response to the Government's [A Green Future: Our 25 Year Plan to Improve the Environment](#). This is 25 year plan and sets out a comprehensive and long-term approach to protecting and enhancing landscapes in England for the next generation. The review focused on five specific areas:

1. Landscapes alive for nature and beauty
2. Landscapes for everyone
3. Living in landscapes
4. More special places
5. New ways of working

- 1.2 The key conclusions of the Glover Report are that even though there is merit in designated landscapes the founding mission for landscape protection has been eroded and that there hasn't been an adequate response to changes in society and culture or diversity of the natural environment. There have been changes in all aspects of society, new forms of farming, carbon emissions, the sprawl of housing, new technology and social shifts have changed the relationship between people and the countryside, and left nature and our climate in crisis. The Glover Report looked at how to protect and improve landscapes in response to these changes and what society needs from these places today.
- 1.3 The main findings of the review were that structural changes are needed in particular bringing the 10 National Parks and 34 AONBs together under one organisation, the National Landscapes Service (NLS) in order to minimise duplication of resources, enable a bigger voice, increase ambition and provide a new way of working to meet new challenges. It was proposed that National Parks maintain their current levels of funding and autonomy over planning. One recommendation of the Glover Report addresses the diversity of the National Parks governance and diversity of the Boards. It is also proposed that AONBs are renamed National Landscapes and there will be a wider range of non designated systems of landscape protection that come under the NLS. In total there were 27 wide-ranging Proposals, see Appendix One.
- 1.4 In January 2022 the Government published a [response](#) to the Glover Report and the 27 Proposals. It is inviting comment on their position and recommendations for future reform. Comments are required in the form of a questionnaire, details of which are set out in Appendix Two. The Government responses that may have implications for Derbyshire Dales are detailed in section 2.
- 1.5 Recent correspondence between Cllr Purdy and the Secretary of State for Housing RTH Christopher Pincher MP, sought to establish the current approach in terms of housing development in the National Park, see Appendix Three. This affirmed the known position of the Peak District National Park that Planning Policy relating to areas of importance, including National Parks, can be applied to restrict development. A Local Authority can alter national policy protections to accommodate development but this needs to be proven through a Local Plan Examination (the National Park Local Plan) to demonstrate that all other options have been explored.

2. Government Response

- 2.1 The [Government Response to the Landscapes Review](#) is structured along thematic lines and therefore the Glover Report Proposals are not in numeric order. This report follows this format.

Chapter 1: A More Coherent National Network
 Chapter 2: Nature and Climate
 Chapter 3: People and Place
 Chapter 4: Supporting Local Delivery

Chapter 1: A More Coherent National Network

- 2.2** The Glover Report Proposal 25 suggested the creation of a new public body, the Government response disagrees with this approach instead suggesting a new National Landscapes Partnership to ensure that existing bodies work together more effectively. This partnership should:
- generate additional private income through green finance initiatives and joint funding bids
 - champion protected landscapes and run national campaigns, such as promoting tourism
 - develop strategic partnerships and programmes with a particular focus on commercial partners
 - create opportunities to provide training and development
 - share knowledge and expertise to build capacity across the protected landscapes family
- 2.3** The Government proposes that DEFRA will provide clearer strategic direction for protected landscapes through a new national landscape strategy. It is suggested that Natural England's role as statutory advisor on England's Landscapes be reinvigorated to support them better recover nature and provide good quality access to them.

Officer Comment

A new partnership is unlikely to have a direct impact on Derbyshire Dales. However, it is considered beneficial to have liaison with District Councils, where they are geographically part of a National Landscape, included in the terms of reference. Clarification regarding the role of the Partnership in terms of statutory consultee for planning applications would also be welcomed.

Chapter 2: Nature and Climate

- 2.4** The Glover Report concluded that despite the efforts of lead partners there has been a long term decline in nature and protected landscapes are not contributing as they could to restore nature or respond to climate change. The Government response reinforces the role of protected landscapes in terms of their potential to deliver on its environmental ambitions, including the 25 Year Environment Plan goals, Environment Act 2021 forthcoming targets, and reaching net zero.
- 2.5** Proposal 4 is a Nature Recovery Network that aims to join up and make space for nature across England, underpinned by Local Nature Recovery Strategies (LNRSSs). The Government approach is set out in the Nature Recovery Green Paper with a goal to protect 30% of land for nature by 2030. The Government wants all protected landscapes to have clear visions for nature recovery but these must also collectively make a major contribution to national nature recovery outcomes.
- 2.6** The Glover Report Proposal 1 states that that the current statutory purpose to 'conserve and enhance' is not strong enough. The Government response

considers that this does not reflect that many of the existing landscapes are now badly degraded, or the urgency of the fight to tackle biodiversity loss. The Government proposes to strengthen this purpose, clearly stating the need to actively recover nature in these areas, rather than simply conserve what remains. The Government considers that this strengthened purpose for nature would also be more closely aligned with national policy objectives, increase the weight given to nature recovery by public bodies, and reinforce that these areas should contribute to our target to halt the decline in species abundance by 2030. It is proposed to support the Glover report recommended new wording of the current statutory purpose, for National Parks and AONBs so that:

- a core function of protected landscapes should be to drive nature recovery
- a revised purpose should be more specific with regards to nature outcomes and explicitly mention biodiversity
- the principle of natural capital should also be included to capture the societal value of nature in our protected landscapes and encompass a broader range of ecosystem services.

Officer Comment

The introduction of new wording into the National Park Statutory Purposes with the intention of strengthening nature recovery may have implications for residents of Derbyshire Dales District Council. One of the consequences is that it is likely to be increasingly difficult to achieve a level of affordable housing provision for people living and working in the Dales due to constraints on land supply. In addition, by strengthening this purpose it may be harder to achieve economic development in these communities. In principle the goal of nature recovery is understood and supported but should not be at the expense of the vitality of rural communities.

- 2.7** Proposal 2 & 3 are related to monitoring and reporting. They seek to regularly and robustly assess the state of natural capital and to include clear priorities and actions for natural recovery in Management Plans. This will include but not be limited to wilder areas and the response to climate change, notably tree planting and peatland restoration, with implementation backed up by a stronger status in law. It is proposed that Natural England will undertake this role. In addition the Government is developing the Natural Capital and Ecosystem Assessment (NCEA), which will provide data on habitats, natural capital, and ecosystem function.

Officer Comment

Increased data regarding the communities of the National Park is welcomed, if undertaken in an open and transparent manner this will benefit the understanding of the communities and landscapes of the Derbyshire Dales and may positively contribute the Local Plan Annual Monitoring report.

Chapter3: People and Place

- 2.8** The review suggested a number of proposals to increase engagement with all parts of society, particularly younger and more diverse audiences (Proposals 8 and 9), through expanded volunteering (Proposal 11), supported by increased rangers (Proposal 13).

Officer Comment

These are to be welcomed as it may provide valuable training opportunities for communities in the Derbyshire Dales. However, for the links to accessible, public transport must be embedded in any proposals, otherwise the anticipated increase and broadening of participation may not manifest.

2.9 Proposal 7, is supported in the Government response, that a strengthened second statutory purpose for National Park Authorities would clarify and reinvigorate our lead partners' ambition to connect all parts of society with our protected landscapes. It is proposed to amend the current statutory purpose to:

- highlight the need to improve opportunities and remove barriers to access for all parts of society
- clearly reference public health and wellbeing as an outcome
- take a more active role in supporting access than just promoting opportunities

Officer Comment

This amendment to broaden participation and recognise the public health role of the protected landscape is welcomed as it is recognised that the communities of Derbyshire Dales will benefit from this more proactive approach

2.10 Proposal 17 suggested creating a new statutory purpose to foster the economic and community vitality of their area. The Government response states that the National Park Authorities, AONB Conservation Boards and the Broads Authority already have a statutory duty that relates to the economic and social well-being of local communities. It is considered that there are risks that introducing a third purpose could dilute the importance of the existing purposes and have unintended outcomes such as impacts on future designations. The response states *"We recognise the importance of supporting rural communities and share the panel's desire to support vibrant local communities, however we do not consider that a new statutory purpose is the appropriate policy to achieve that objective. Instead, we will support our lead partners to discharge their existing duties effectively and consistently through government guidance and sharing best practice."*

Officer Comment

The Glover Report suggests the addition of a specific new purpose for the National Parks relating to economic and community vitality. The Government response is that this is not necessary as they already have a statutory duty with regards to economic development and they do not want to dilute the existing purposes. This reflects the overarching approach and indicates the direction that the Government see the protected landscapes taking in the future. Whilst delivering social and economic well-being at a local level may seem to be an appropriate response from Government given the evidence and previous experiences from the Peak District National Park (where there is not an appropriate balance given to social and economic wellbeing and too much weight given to landscape and environmental protection) it is considered that the District Council should seek to support the approach advocated in the Glover Report rather than the Government's response.

- 2.11** Regarding transport, Proposal 19, the Government response recognises that a bespoke approach is necessary in the Peak District National Park and that the South Yorkshire Combined Authority and Derbyshire County Council, are to consider new types of Demand Responsive Transport (DRT) services. It is stated that Local authorities should consider opportunities such as these as part of their wider transport plans. The Government proposals to strengthen the statutory purposes of protected landscapes and strengthen the duty of regard should increase the weight local authorities give to supporting local rural communities and the public's enjoyment of protected landscapes through their transport plans.

Officer Comment

It is considered that there are two key transport issues; one the management of visitor traffic and two access to services, including education and health for people who live in rural areas. The Government's response merges the two issues and by doing so the impact on landscapes by visitors is in danger of dominating. There is no mention of the links between public transport and employment, cultural activity, access to education, retail services etc. for people who live in the rural area or people who are being encouraged to participate in the National Park under Proposals 8,9 and 11 . Increased reliance on Demand Responsive Transport (DRT) may provide transport for those with flexibility with their travel plans but for those who need to travel to work or education it may not be the solution. This needs careful consideration by Derbyshire County Council and DDDC should have appropriate input into any proposed schemes.

- 2.12** In response to increased visitor numbers in protected landscapes the Government is considering increased enforcement powers. These include powers to:
- issue Fixed Penalty Notices for byelaw infringements
 - make Public Space Protection Orders (PSPOs). This would only be used following consultation with LAs
 - issue Traffic Regulation Orders (TROs) to control the amount and type of traffic on roads
- 2.13** In addition the Government is intending to manage visitor pressures through visitor dispersal. An objective in the government's Tourism Recovery Plan is for visitor spending to grow year on year in every nation and region of the UK, not only within but beyond the usual tourist 'hotspots' to smaller, lesser-known destinations - including the lesser-visited protected landscapes.
- 2.14** As part of the consultation the Government has indicated that it wished to explore the possibility of protecting Green Lanes from damage and disturbance, whilst at the same time maintaining most public and private rights access. It is suggested that it could be achieved by giving greater discretion for National Park Authorities and local highway authorities to use existing powers to restrict use on a case by-case basis. Alternatively, the Government could consider restricting the use of certain motor vehicles on unsealed roads through legislation, but only if this could carefully balance the needs of all users including

motorised vehicle users, horse riders, cyclists and walkers, whilst also protecting private access rights.

Officer Comment

As the main settlements of Derbyshire Dales District Council, excluding Bakewell, sit beyond the park boundary there may be implications from this approach, it could lead to an increase in visitor parking. Close liaison with the National Park will be needed as their visitor management strategies are developed to secure a positive impact on the settlements lying beyond the park boundary, in terms of impacts on: local economies, transport management and perhaps an increase in second homes/ holiday cottages in the Derbyshire Dales.

From time to time, there are incidents where damage is caused by excessive use by large numbers of off-road vehicles to the Green Lanes. The Peak District National Park has already introduced Traffic Regulation Orders on a number of locations as a means of limiting damage caused by recreational vehicles. The suggestion that additional powers be introduced to restrict usage by recreational vehicles is to be welcomed. This, however, needs to be evidence based and needs to be balanced against the needs of local communities who may use these facilities lawfully and without any causing undue damage.

- 2.15** The Government response recognises that the planning system has to balance protections with supporting local communities and economies. It states that this balancing exercise is carried out differently in protected landscapes to ensure statutory purposes and special qualities are protected. This approach is clarified in recent revisions to the [National Planning Policy Framework \(NPPF\)](#) (2021) development in the setting of protected landscapes should be sensitively located and designed to avoid or minimise adverse impacts. It states that further planning reform will follow to address “levelling up” and regeneration of left behind places. This is in addition to The Environment Act 2021 which embeds a biodiversity net gain approach into the planning system. This new requirement to offset unavoidable impacts of development will create new opportunities to conserve and enhance habitats and ecological networks, including within protected landscapes.

Officer Comment

The recognition of the need to support local communities and economies is welcomed however more detail as to how perceived adverse impacts can be minimised would be welcomed. The issue of rural deprivation and access to services is not fully recognised in the response and it is unclear how the “levelling up” agenda and associated initiatives will operate in a protected landscape setting. The decision making on planning policy and planning applications in the Peak District National Park has traditionally given significant weight to the National Park purposes. The Government should be advised that the approach to protected landscapes should ensure there is an appropriate balance achieved with sufficient weight given to support the vitality and viability of local communities in appropriate circumstances. Otherwise such communities will not survive.

In terms of achieving a net biodiversity gain there is some further investigation needed in partnership with Derbyshire Wildlife Trust as to how the DDDC will benefit from this. If all gain is directed to the National Park this would perhaps not fit with the intention of the reforms.

2.16 In respect of affordable homes the Government recognises that this can be an issue in protected landscapes, but also all rural areas. The response does not agree with Proposal 18 which suggests the establishment of a new publically funded housing association, it considers it would not be effective and may undermine existing housing associations. The alternative means it proposes are;

- Rural Exception Sites deliver affordable housing in perpetuity to meet local needs in rural areas.
- Homes England's funding prospectus for the new 2021-26 Affordable Homes Programme continues to support the delivery of rural housing

Officer Comment

It is considered that the issue of affordable housing supply in the National Park is not about the need for another housing provider, such body would be subject to the same processes that the current providers have to work through. In this respect the government response to the Glover Report is considered correct. However, what is needed is more opportunities, and more support through planning policy and decision making to facilitate the delivery of more affordable homes and a recognition by government that homes in protected landscapes cost more to build.

Chapter 4: Supporting Local Delivery

2.17 Chapter 4 of the Government's response is concerned with governance arrangements, in particular the diversity of the National Park Boards. Proposal 26 to appoint Board members nationally is dismissed in the Government response and the importance of local representation is recognised. The Government is proposing that the legislative requirements for a specific ratio between appointment types is removed. Boards would still need national, parish, and local authority members but they would have more flexibility to balance diversity and expertise with strong democratic oversight in accordance with the needs of their specific area. The Government are also considering a merit based approach. Proposal 26 recommended capping boards at 12 members this is not considered appropriate by the Government in the response the reduction in size is being considered on a case by case basis.

Officer Comment

The current Peak District National Park Board has 30 members, 14 of which are Local Authority Members, with two representatives from DDDC. This is the largest National Park Board and in part this is due to the fact that each Local Authority that has land within the PDNP has representation regardless of the size of the population. The risk with any changes to the make-up of the Board is that DDDC no longer has adequate representation. If changes were made that link representation with geographical area or population that would

still enable representation from Derbyshire Dales. In terms of appointment on merit, the benefits or disadvantages of this approach cannot be determined without knowledge of the criteria that would be applied to determine merit.

- 2.18** Regarding Management Plans, it is proposed that the National Landscapes Strategy will set the national ambition for the expected contribution of protected landscapes towards nature recovery and climate mitigation and adaptation, along with other key goals such as access and community engagement. Natural England will produce an outcomes framework, provide annual reporting to track progress against the outcomes, and advise on where further action is needed. This will be aligned with Local Nature Recovery Strategies, to facilitate delivery of priority nature recovery actions without duplication.

Officer Comment

No direct implications as Management Plans are not material considerations in the determination of a planning application. However, there may be indirect implications as the Management Plan will establish the tone and approach to development and planning policy in the National Park and therefore ultimately the decision making process. Members will have the opportunity to comment on any future National Park Management Plan.

- 2.19** The duties of Public Bodies in ensuring that the statutory purposes are fulfilled is considered in Proposal 3. The Government agrees with the Glover Report and is intending to strengthen the wording of the duties so they are given greater weight when carrying out public functions, contributing to the preparation and implementation of management plans. The Government has indicated that it will publish more guidance on this in the future..

Officer Comment

Without the detailed guidance it is difficult to establish what the impacts of this will be for the District Council, however it may be worth noting that additional duties should attract additional resources in order to prevent resources being diverted from elsewhere.

- 2.20** Proposal 27 considers the financial arrangements and that a new funding model is required. This is supported in the Government response, the target is to raise at least £500 million in private finance to support nature's recovery every year by 2027 in England, rising to more than £1 billion by 2030. It is envisaged that this is achieved through the sale or trade via environmental markets of the various benefits nature provides – from carbon sequestration to improved water quality. It is intended that the national landscapes partnership builds capacity to generate additional income through green finance initiatives and joint funding bids. The Response notes the disconnect and missed opportunity between the number of visitors and the amount of income generated for chargeable activities such as planning, parking and navigation.

Officer Comment

Whilst this approach is broadly supported there may be an unintentional impact on the Park's residents in terms of access to affordable parking. In addition the National Park needs to ensure that it maintains access for all income levels and

complements the broadening participation agenda, and not price out those with lower incomes in neighbouring settlements.

- 2.21** The Government is seeking views on the broadening of the legal competence of the National Park to make it similar to Local Authorities. It is considered that this would enable a more innovative and proactive role for the protected landscapes and reduce legal risks associated with a wider range of activities such as affordable housing, public health, and sustainable transport, or working beyond their boundaries.

Officer Comment

The broadening of legal competence is seen as a measure that will bring the National Parks in line with Local Authorities and will enable a more innovative and commercially aware approach. They are currently restricted to delivering the park purposes and delivering the management plan. It is anticipated that in the long term this will enable increased income generation. Additional detail would allow the implications for DDDC to be considered more fully.

3. Key Implications for Derbyshire Dales

- 3.1** As members will be aware the District Council is currently undertaking a review of its Local Plan, this includes a consideration of housing delivery in support of economic growth. The housing element of the Local Plan includes an assumption of the number of completions in the Derbyshire Dales area of the Peak District National Park. As such any changes to the response of the National Park Authority to housing or economic development in line with the Landscapes Review may have implications for the delivery of the Local Plan.
- 3.2** In addition, the Peak District National Park Authority is currently undertaking a review of the Local Plan. They are currently undertaking evidence gathering with the intention of holding a formal consultation on the preferred issues and options at the end of 2022. The consultation on the Draft plan is anticipated for the end of 2023. It is anticipated that the tone of the Landscapes Review will influence the strategic direction of the Peak District National Park Local Plan. It is therefore imperative that the District Council continues to engage, and challenge the National Park Authority to ensure that their approach to the delivery of housing is not diluted by the emphasis being given by the Government in their response to the Glover Report
- 3.3** The Glover Report presented an opportunity to rethink how National Parks function and what their strategic role should be going forward. The role of nature recovery is recognised by Government as key in order to achieve Climate Change targets and the management of protected landscapes is therefore critical part of this strategy. However, it is considered that the Government response has not given enough emphasis to the importance of creating and maintaining economic and socially sustainable communities within National Parks.
- 3.4** The proposed changes to the governance of National Parks may also have implications for Derbyshire Dales. The Government Response proposes changes to the National Park Board such as; reduced numbers, positions on

merit, but without the detail of how this would be implemented. Depending on the detail this is a potential area of concern.

- 3.5 In terms of affordable housing the Director of Housing is in in accordance with the Government response that an additional Housing Association would not benefit communities or aid the delivery of affordable homes.
- 3.6 The proposals to broaden access and participation in the National Park are welcomed. However, this may be at odds with the proposals to manage visitor traffic through increased parking fees. The proposals for visitor management need to be considered in the context of broadening access and participation and measures put in place to ensure that an unintended consequence of the traffic management isn't that the park becomes more exclusive. This is particularly important for communities in the DDDC, near to the Peak District National Park but not necessarily within.

NEXT STEPS

- 3.1 Responses to the consultation are required by DEFRA by the 9th April 2022.
- 3.2 In order to enable the District Council to send responses to this consultation it is recommended that comments set out in Appendix Two will be forwarded to DEFRA.

4 RISK ASSESSMENT

4.1 Legal

This is a Government consultation, the legal risk at this time has been categorised as low.

4.2 Financial

Input into the Government response to the Glover Report involves officer time. Financial risk is, therefore, assessed as low.

5 OTHER CONSIDERATIONS

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

6 CLIMATE CHANGE

- 6.1 Recommendation Two is for approval of the suggested responses to the questionnaire commenting on the Government's position and recommendations for future reform following the Landscapes Review. A full climate change impact assessment is not appropriate at this time, as the outcomes of the review have not been determined. Clearly there will be climate change and environmental impacts associated with the agreed long-term approach to protecting and enhancing landscapes, including those within the Derbyshire Dales.

- 6.2 Chapter 2: Nature and Climate of the full Landscape Review report concluded that ‘despite the efforts of lead partners there has been a long term decline in nature and protected landscapes are not contributing as they could to restore nature or respond to climate change’. Proposal 1 states that the current statutory purpose to ‘conserve and enhance’ is not strong enough and proposes to strengthen this purpose, clearly stating the need to actively recover nature in these areas, rather than simply conserve what remains.
- 6.3 As per Paragraph 2.6 above, this may have implications for the District Council in terms of the ability to achieve a level of affordable housing provision for people living and working in the Dales and making it harder to achieve economic development in these communities. The Council’s position here is that whilst the principles of nature recovery are understood and supported this should not come at the expense of the vitality of rural communities with access to affordable homes and employment opportunities.
- 6.4 In the response to Proposal 19 which relates to transport the Council has requested that any additional powers ‘need to be taken in the context of a visitor traffic management strategy’. There is no opportunity to comment on the other key transport issues of concern - access to services, including education and health for people who live in rural areas. All of which have climate change implications for the Dales. As per the Officer comment in Paragraph 2.11 ‘the Government response merges the two issues and by doing so the impact on landscapes by visitors is in danger of dominating’.

7 CONTACT INFORMATION

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8 BACKGROUND PAPERS

Description	Date	File
Landscapes Review National Parks and AONB Government Response		https://www.gov.uk/government/publications/landscapes-review-national-parks-and-aonbs-government-response/landscapes-review-national-parks-and-aonbs-government-response
Landscapes Review 2019		https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833726/landscapes-review-final-report.pdf
Peak District Local Plan Review		https://www.peakdistrict.gov.uk/planning/policies-and-guides/the-local-plan

9 ATTACHMENTS

Appendix One: Glover Report Key Proposals

Appendix Two: Consultation Response

Appendix Three: Correspondence between Cllr G Purdy and Rt Hon Christopher Pincher MP

APPENDIX ONE GLOVER REPORT KEY PROPOSALS

Proposal 1:	National landscapes should have a renewed mission to recover and enhance nature, and be supported and held to account for delivery by a new National Landscapes Service
Proposal 2:	The state of nature and natural capital in our national landscapes should be regularly and robustly assessed, informing the priorities for action
Proposal 3:	Strengthened Management Plans should set clear priorities and actions for nature recovery including, but not limited to, wilder areas and the response to climate change (notably tree planting and peatland restoration). Their implementation must be backed up by stronger status in law
Proposal 4:	National landscapes should form the backbone of Nature Recovery Networks – joining things up within and beyond their boundaries
Proposal 5:	A central place for national landscapes in new Environmental Land Management Schemes
Proposal 6:	A strengthened place for national landscapes in the planning system with AONBs given statutory consultee status, encouragement to develop local plans and changes to the National Planning Policy Framework
Proposal 7:	A stronger mission to connect all people with our national landscapes, supported and held to account by the new National Landscapes Service
Proposal 8:	A night under the stars in a national landscape for every child
Proposal 9:	New long term programmes to increase the ethnic diversity of visitors
Proposal 10:	Landscapes that cater for and improve the nation's health and wellbeing
Proposal 11:	Expanding volunteering in our national landscapes
Proposal 12:	Better information and signs to guide visitors
Proposal 13:	A ranger service in all our national landscapes, part of a national family
Proposal 14:	National landscapes supported to become leaders in sustainable tourism
Proposal 15:	Joining up with others to make the most of what we have, and bringing National Trails into the national landscapes family
Proposal 16:	Consider expanding open access rights in national landscapes
Proposal 17:	National landscapes working for vibrant communities
Proposal 18:	A new National Landscapes Housing Association to build affordable homes
Proposal 19:	A new approach to coordinating public transport piloted in the Lake District, and new, more sustainable ways of accessing national landscapes
Proposal 20:	New designated landscapes and a new National Forest
Proposal 21:	Welcoming new landscape approaches in cities and the coast, and a city park competition
Proposal 22:	A better designations process
Proposal 23:	Stronger purposes in law for our national landscapes

Proposal 24:	AONBs strengthened with new purposes, powers and resources, renamed as National Landscapes
Proposal 25:	A new National Landscapes Service bringing our 44 national landscapes together to achieve more than the sum of their parts
Proposal 26:	Reformed governance to inspire and secure ambition in our national landscapes and better reflect society
Proposal 27:	A new financial model – more money, more secure, more enterprising

APPENDIX TWO: REPONSE TO DEFRA

Annex A – Consultation

Implementing some aspects of our response to the review will require changes to legislation, subject to securing parliamentary time. We are seeking public views on support for these proposed legislative changes, and their potential effects on different groups and interests. We are also interested to hear any wider views on other aspects of our response to the review.

How to respond

Please respond to this consultation using the Citizen Space consultation hub at Defra <https://www.gov.uk/government/consultations/landscapes-review-national-parks-and-aonbs-implementing-the-review>

For ease of analysis, responses via the Citizen Space platform would be preferred, but alternative options are provided below if required:

By email to: Landscapesconsultation@defra.gov.uk

In writing to:

Consultation Coordinator, Defra
2nd Floor, Foss House, Kings Pool
1-2 Peasholme Green
York
YO1 7PX

Questions

1. Do you want your responses to be confidential? **No.**
2. What is your name? **Derbyshire Dales District Council**
3. What is your email address? **localplan@derbyshiredales.gov.uk**
4. Where are you located? **East Midlands**
5. Which of the following do you identify yourself as? **Local Authority**

A stronger mission for nature recovery (p10)

6. Should a strengthened first purpose of protected landscapes follow the proposals set out in Chapter 2? **The importance of nature recovery and the role that the protected landscapes play in this is recognised however DDDC would not like to see that this takes absolute precedence at the expense of maintaining sustainable communities with access to affordable homes and employment opportunities.**

7. Which other priorities should be reflected in a strengthened first purpose e.g. climate, cultural heritage? **The importance of long term environmental, social and**

economic sustainability of communities in the National Park should be recognised in the first purpose.

Agricultural transition (p12)

8. Do you support any of the following options as we develop the role of protected landscapes in the new environmental land management schemes? Tick all that apply. [No comments.](#)

- Designing the environmental land management schemes in a way that works for all farmers and land managers, including the specific circumstances for those in protected landscapes, recognising that farmers in these areas are well-placed to deliver on our environmental priorities.

- Using Local Nature Recovery Strategies to identify projects or habitats within protected landscapes.
- Monitoring the effectiveness and uptake of the new environmental land management schemes in protected landscapes. Using this to inform whether further interventions are needed to ensure we are on track for wider nature recovery ambitions.
- Creating a clear role for protected landscape organisations in the preparation of Local Nature Recovery Strategies. Our recent LNRS consultation specifically asks for views on the role of different organisations in the preparation of LNRSs, including protected landscapes.
- Building on FiPL, empowering protected landscapes to support decision-making and delivery against agreed priorities, including through dedicated project coordinators and advisers.

9. Do you have any views or supporting evidence you would like to input as we develop the role of protected landscapes in the new environmental land management schemes? [No comments.](#)

A stronger mission for connecting people and places (p14)

10. Should AONBs have a second purpose relating to connecting people and places, equivalent to that of National Parks? [No comments.](#)

11. Should a strengthened second purpose of protected landscapes follow the proposals set out in Chapter 3 to improve connections to all parts of society with our protected landscapes? [Yes, in particular the reference to health and well-being outcomes are welcomed.](#) There is also a need to recognise that the aim to include all parts of society cannot be achieved in isolation. Connections with relevant transport strategies will need to be made to ensure that they are not exclusive in terms of pricing out those with limited income in neighbouring areas.

12. Are there any other priorities that should be reflected in a strengthened second purpose? [DDDC would support the inclusion of a priority to secure social and economic wellbeing of communities in the National Park, reflect the](#)

importance of controlled development to provide employment, social or housing opportunities.

Managing visitor pressures (p16)

13. Do you support any of the following options to grant National Park Authorities and the Broads Authority greater enforcement powers to manage visitor pressures? Tick all that apply.

- Issue Fixed Penalty Notices for byelaw infringements
- Make Public Space Protection Orders (PSPOs)
- Issue Traffic Regulation Orders (TROs) to control the amount and type of traffic on roads

Any additional powers will need to be taken in the context of a visitor traffic management strategy and not on an adhoc basis, also in the context of broadening access under the proposed second purpose.

14. Should we give National Park Authorities and the Broads Authority and local highway authorities additional powers to restrict recreational motor vehicle use on unsealed routes? The District Council supports the introduction of wider powers to restrict the damage caused by recreational vehicles. However in doing so the District Council recognises that many users of Green Lanes do so lawfully and without causing any damage. As such the needs of lawful users needs to be balanced with the desire to restrict the impact on these facilities by recreational vehicles.

15. For which reasons should National Park Authorities, the Broads Authority and local authorities exercise this power? No comments.

- Environmental protection
- Prevention of damage
- Nuisance
- Amenity
- Other [PLEASE STATE]

16. Should we legislate to restrict the use of motor vehicles on unsealed unclassified roads for recreational use, subject to appropriate exemptions? No comments.

- Yes – everywhere/
- Yes – in National Parks and Areas of Outstanding Natural Beauty only
- Yes – in National Parks only
- No/Unsure

17. What exemptions do you think would be required to protect the rights and enjoyment of other users e.g., residents, businesses etc? No comments.

The role of AONB teams in planning (p18) No comments.

18. What roles should AONBs teams play in the plan-making process to achieve better outcomes? OPEN
19. Should AONB teams be made statutory consultees for development management? YES/NO/UNSURE
20. If yes, what type of planning applications should AONB teams be consulted on?
 - AONB teams should formally agree with local planning authorities which planning applications should be consulted on.
 - AONB teams should be consulted on all planning applications that require an Environmental Impact Assessment and are categorised as 'major development' as well as Nationally Significant Infrastructure Projects.
 - Other [Please state]

Local governance (p20)

- 21 Which of the following measures would you support to improve local governance?

Tick all that apply.

- Improved training and materials **yes**
- Streamlined process for removing underperforming members **yes**
- Greater use of advisory panels **yes**
- Greater flexibility over the proportion of national, parish and local appointments **yes, however not at the expense of removing representation from constituent local authorities.**
- Merit-based criteria for local authority appointments **The criteria used to determine merit would need to be open and transparent. This would not be supported where it would decrease the representation of constituent Local Authority Members**
- Reduced board size **This would not be supported where it would decrease the representation of Derbyshire Dales Members.**
- Secretary of State appointed chair **No comment**
- Other [Please state]

Approximately one third of Derbyshire Dales District Council's area lies within the Peak District National Park. Therefore it is considered that proportionate representation on the National Park Board is essential in order to provide the DDDC communities democratic representation and a voice.

A clearer role for public bodies (p22) No comments

22. Should statutory duties be strengthened so that they are given greater weight when exercising public functions?

23.Should statutory duties be made clearer with regards to the role of public bodies in preparing and implementing management plans?

General power of competence (p24)

24.Should National Parks Authorities and the Broads Authority have a general power of competence? YES/NO/UNSURE

It is considered that this would more closely align the National Park Authority with the power of competence in Local Authorities and in turn will enable a more innovation approach to income generation. DDDC would like further clarification to ensure that there is no duplication of roles with the District Council or erosion of roles with the introduction of these measures.

Overall

25.If you have any further comments on any of the proposals in this document, please include them here.

Appendix Three: Correspondence Cllr G Purdy and Rt Hon Christopher Pincher MP Minister of State for Housing



Department for Levelling Up,
Housing & Communities

Rt Hon Christopher Pincher MP
Minister of State for Housing

Department for Levelling up, Housing and
Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

Cllr Garry Purdy
Derbyshire Dales District Council
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Bank Road
Matlock
Derbyshire
DE4 3NN

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www.gov.uk/dluhc

11/01 January 2022

Dear Cllr. Purdy,

Thank you for your letter dated 18 November 2021 and your questions about why 90% of new residential development may be provided in just 50% of Derbyshire Dales and only 8% of future housing development may be required in the Peak District National Park area.

I regret that, due to my quasi-judicial role in the planning system, I am unable to comment on the specific details of Derbyshire Dales District Council's emerging housing requirements and how it is distributed. I can however offer the following general comments which I hope are helpful in setting out the Government's current planning policy position.

Background

I am aware that your Council has an up-to-date Local Plan and is clearly working on updating this. I also note that your authority has passed its Housing Delivery Test requirements every year we have published results despite the fact that the District Council has significant planning constraints (61% of its area is constrained in planning terms). In these circumstances, it would be remiss of me not to congratulate you on the progress you are clearly making in meeting housing need in Derbyshire Dales.

Planning Policy Position

This Government is clear that Councils and their communities are best placed to take decisions on planning issues affecting their local area, within the context of national planning policy. Furthermore, local decisions remain at the heart of the planning system.

We have a need for more housing in this country. Consequently, it is right that it is treated as an important planning consideration. But it is not the sole focus of national planning policy. The National Planning Policy Framework (NPPF) continues to emphasise the need to plan for a full range of local needs, as well as to protect and enhance the natural and built environment.

Currently, the standard method for assessing local housing need is the starting point within the current system. It is expected to be used by Councils as a guide when they develop their local plans, but they can use an alternative if there's a strong justification for doing so. Moreover, the housing need figure it produces is not a target because it is for Councils to decide their own housing target once they have taken account of local opportunities and constraints that might

prevent them from allocating enough sites to meet their areas housing needs. Nor does it dictate where homes should go - again it is for Councils to decide what sort of homes can be built and where.

The Government is also firmly committed to protecting and enhancing the Green Belt and National Parks, as set out in our manifesto. We have ensured strong protections for this type of land through national planning policy in order to safeguard it for future generations, and these protections remain in place as part of our commitment to restrict urban sprawl and encroachment on valued open countryside.

The NPPF also strongly encourages the reuse of suitable brownfield land - especially for development to meet housing need and regenerate our town centres. The Government is committed to making the most of brownfield land and it is putting significant investment into brownfield redevelopment.

Housing Need

It has been suggested by some that housing need trumps any protected land or vice-versa. This is not the case. Specifically, Paragraph 11 of the NPPF sets out the importance of areas providing for housing and other needs, unless the national policy protections for areas or assets of particular importance provide a strong reason for restricting development. These protections are listed in footnote 7 of the NPPF and relate to habitat sites (including those listed in para 181 and Sites of Special Scientific Interest); Green Belt; Local Green Space; Areas of Outstanding Natural Beauty; National Parks or the Broads Authority; Heritage Coast; irreplaceable habitats; designated heritage assets (including those of archaeological interest in footnote 68); and areas at risk of flooding or coastal change.

Authorities are expected to address local housing and other needs wherever possible, taking into account these constraints. Where a local authority proposes to alter national policy protections in order to accommodate development, it is be expected to show at a Local Plan examination that all other reasonable options have been explored (e.g., making use of brownfield land, optimising density, and discussing whether neighbouring authorities could take some of the development necessary). However, this process does not stop your authority building homes in the National Park. It remains the case that Council's decide their own housing target, what type of housing is required, and where it might be located, once they have taken account of local opportunities and constraints that might prevent them from allocating enough sites to meet their areas housing needs. These choices are then considered at your Local Plan inquiry before being agreed or amended in an adopted Local Plan.

I hope this information is helpful, but please let me know if I can be of any further assistance.


RT HON CHRISTOPHER PINCHER MP