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e-mail: committee@derbyshiredales.gov.uk

23 June 2021

To: All Councillors

As a Member or Substitute of the **Governance & Resources Committee**, please treat this as your summons to attend a meeting on **Thursday, 1 July 2021 at 6.00pm in the Members Room, County Hall, Matlock.**

Yours sincerely,

A handwritten signature in black ink, appearing to read 'James McLaughlin', written over a light blue horizontal line.

James McLaughlin
Director of Corporate and Customer Services

AGENDA

1. APOLOGIES/SUBSTITUTES

Please advise the Committee Team on 01629 761133 or e-mail committee@derbyshiredales.gov.uk of any apologies for absence and substitute arrangements.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

11 March 2021

3. PUBLIC PARTICIPATION

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

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. QUESTIONS PURSUANT TO RULE OF PROCEDURE NUMBER 15.

To answer questions from Members who have given the appropriate notice.

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6 KIRK IRETON NEIGHBOURHOOD PLAN	5 - 11
To receive a report setting out the outcome of the referendum into the Kirk Ireton Neighbourhood Plan and recommends that the Kirk Ireton Neighbourhood Development Plan be formally “made” under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.	Plan separate
7. ASHBOURNE NEIGHBOURHOOD PLAN	12 - 19
To receive a report setting out the outcome of the referendum into the Ashbourne Neighbourhood Plan and recommends that the Ashbourne Neighbourhood Development Plan be formally “made” under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.	Plan separate
8. BRAILSFORD NEIGHBOURHOOD PLAN	20 - 26
To receive a report setting out the outcome of the referendum into the Brailsford Neighbourhood Plan and recommends that the Brailsford Neighbourhood Development Plan be formally “made” under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.	Plan separate
9. CONSULTATION AND ENGAGEMENT STRATEGY 2021-2027	27 - 44
To receive a report seeking Members approval for an updated Consultation Strategy and a series of options whose aim is to improve and enrich consultation undertaken by the District Council. The outcome of which will enable Members to be better informed about the views of local residents when making decisions on changes to service delivery and policies.	
10. DETAIL OF A PROPOSED ‘BRIGHT IDEAS’ SCHEME	45 - 49
Joint Consultative Group, on 25 March 2021, recommended that Governance and Resources Committee approve the detail of the ‘Bright Ideas’ scheme (a part of the Reward and Recognition Policy approved in January 2020). .	
11. FLEXIBLE WORKING POLICY	50 - 65
Joint Consultative Group on 25 March 2021, recommended that Governance and Resources Committee adopt the proposed Flexible Working Policy as a new employment policy replacing the existing guidance in forms and sample letters.	

12.	ASSET MANAGEMENT PLAN – LAND HOLDINGS REVIEW PHASE 1 – THORPE PUBLIC CONVENIENCES AND ADJOINING LAND	66 - 71
	To receive a report updating Members in relation to a site that was discussed at the previous meeting of the Governance and Resources Committee on 11 March 2021 and for which further information was requested	
13.	INTERNAL AUDIT ANNUAL REPORT 2020/2021	72 - 78
	To consider approval of the Internal Audit Annual Report for 2020/2021	
14.	EXTERNAL AUDIT REVIEW OF INTERNAL AUDIT	79 - 98
	To receive a report consulting members on the format of the external review of internal audit that is required by the Public Sector Internal Audit Standards	
15.	PROGRESS UPDATE ON THE 2020/2021 INTERNAL AUDIT PLAN	99 - 114
	To receive a report for Members' information on the progress update in respect of the 2020/2021 Internal Audit Plan. The report includes a summary of internal audit reports issued since the last meeting of this committee and an update on the implementation of internal audit recommendations	
16.	CIPFA FRAUD AND CORRUPTION TRACKER SURVEY 2020	115 - 145
	To receive a report for Members' information the results of CIPFA's Fraud and Corruption Tracker Survey 2020 that provides a picture of fraudulent activity in local government. (Appendix 1).	
	To detail the controls and procedures that DDDC has in place to mitigate the risk of fraud.	
17.	STATEMENT OF ACCOUNTS 2020/21 – APPROVAL OF ACCOUNTING POLICIES	146 - 163
	To receive a report seeking approval for the Accounting Policies used within Derbyshire Dales District Council's Statement of Accounts 2020/21, highlighting any changes from last year.	
18.	ANNUAL GOVERNANCE STATEMENT 2020/21	164 - 167
	To receive a report seeking approval for the Annual Governance Statement for 2020/21, which is consistent with the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government", and meets the requirements of the Accounts and Audit Regulations 2015	
19.	FURTHER WRITE OFFS RELATING TO BACKDATING OF COUNCIL TAX BILLS FOR PROPERTIES IDENTIFIED IN DATA MATCHING EXERCISE	168 – 180
	To receive a report seeking approval for the write off of individual debts arising from council tax backdating cases where the amount requested for write off in each case exceeds £10,000, in accordance	
		Appendix 1 exempt: 181 - 191

with the Council's Financial Regulations.
Appendix 1 – Exempt report

Members of the Committee - Councillors Jacqueline Allison, Robert Archer, Sue Bull, David Chapman (Vice Chair), Paul Cruise, Tom Donnelly(Chair), Steve Flitter, Helen Froggatt, Dawn Greatorex, Alyson Hill, Susan Hobson, Michele Morley, Dermot Murphy, Garry Purdy, Mike Ratcliffe, Claire Raw, and Alasdair Sutton

Substitutes – Councillors Jason Atkin, Mathew Buckler, Richard FitzHerbert, Chris Furness, David Hughes, Stuart Lees, Peter Slack and Steve Wain.

Report of the Director of Regeneration and Policy

KIRK IRETON NEIGHBOURHOOD PLAN

PURPOSE OF REPORT

The purpose of this report is to set out the outcome of the referendum into the Kirk Ireton Neighbourhood Plan and recommends that the Kirk Ireton Neighbourhood Development Plan be formally “made” under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.

RECOMMENDATION

1. That the result of the referendum on the Kirk Ireton Neighbourhood Development Plan be noted.
2. That the Kirk Ireton Neighbourhood Development Plan be formally “made” as a Neighbourhood Development Plan, and form part of the Development Plan for the Derbyshire Dales.
3. That the Kirk Ireton Neighbourhood Development Plan be used in the determination of planning applications that are situated within the Plan Area in accordance with the provisions of Section 1 of the Neighbourhood Planning Act 2017.

WARDS AFFECTED

Hulland

STRATEGIC LINK

The implementation of the Kirk Ireton Neighbourhood Plan will provide a wider planning framework for the Derbyshire Dales, focused within Kirk Ireton. The Neighbourhood Plan will complement policies set out within the Derbyshire Dales Local Plan (adopted 2017) to achieve high quality developments and environments for existing and new residents and communities of Kirk Ireton, and form part of the development plan for the District.

REASON FOR URGENCY

By Regulation, Neighbourhood Plans must be made within 8 weeks of a positive referendum. This meeting is the last possible opportunity for this to be achieved.

1 BACKGROUND

- 1.1 The Parish of Kirk Ireton was designated as a Neighbourhood Area in accordance with Section 61G of the Town and Country Planning Act (as amended by the Localism Act 2011) on the 5th September 2014. The designation of a Neighbourhood Area is one of the statutory requirements to enable a Neighbourhood Plan to be adopted and formally become a part of

the Development Plan, and be used in the determination of planning applications by the District Council.

- 1.2 Since that time Kirk Ireton Parish Council, with the help of the Neighbourhood Plan Steering Group and the local community have prepared a Neighbourhood Plan for their Parish. The Plan sets out the vision for the future of the Parish and policies which if 'made' will be used in the determination of planning applications within the Neighbourhood Area.
- 1.3 In accordance with Regulation 15 of the Neighbourhood Planning (General) Regulations (2012) Kirk Ireton Parish Council submitted the draft Kirk Ireton Neighbourhood Plan to the District Council on 3rd April 2019. Following submission of the Plan, the District Council assessed whether the Plan met the requirements of the Neighbourhood Planning (General) Regulations (2012).
- 1.4 Public consultation on the draft Kirk Ireton Neighbourhood Plan was undertaken for a period of six weeks, commencing 23rd September and finishing on 4th November 2019. The Examination of the Plan was undertaken by an independent Examiner, Andrew Matheson MSC MPA DipTP MRTPI FCIH. The Examination in Public was undertaken by written representation during November 2019 - February 2020, and the Examiner's report was received on 7th February 2020. This recommended that subject to a series of modifications to meet the necessary legal requirements, the Plan could proceed to Referendum. The District Council resolved on 12th March 2020 that in accordance with the Examiner's recommendations, the Kirk Ireton Neighbourhood Plan should proceed to Referendum (Minute 340/19).
- 1.5 The provisions of Section 1 of the Neighbourhood Planning Act 2017 are such that the District Council must already have regard, in dealing with planning applications, to the post examination draft Kirk Ireton Neighbourhood Development Plan, so far as material to the application.

2 REFERENDUM RESULTS

- 2.1 A referendum was held on 6th May 2021 at which the following question as defined in the Neighbourhood Planning (Referendums) Regulations 2021 Schedule 1 was asked:

Do you want Derbyshire Dales District Council to use the neighbourhood plan for the Parish of Kirk Ireton to help it decide planning applications in the neighbourhood area?

- 2.2 The results of the Referendum were as follows:

Those voting in favour YES	179
Those voting against NO	27
(51.1% turnout)	

- 2.3 Section 38A (4) of the Planning and Compulsory Purchase Act 2004 requires that the local planning authority must make a Neighbourhood Development Plan as soon as reasonably practicable after the referendum has been held

in the event that more than half of those voting have voted in favour of the Plan. Regulation 18a of the Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulation 2016 states that a Neighbourhood Development Plan must be made within eight weeks of the day after the referendum, which in this instance is the 1st July 2021.

2.4 Given the result of the referendum it is recommended that the Kirk Ireton Neighbourhood Plan be formally made and used in the determination of planning applications in accordance with the provisions of Section 1 of the Neighbourhood Planning Act 2017.

2.5 A copy of the final version of the Plan is attached in Appendix 1 to this report. The Kirk Ireton Neighbourhood Plan will be available online (www.derbyshiredales.gov.uk/KirkIretonNP) and hard copies will be made available at the District Council Offices in Matlock in accordance with Covid Regulations.

2.6 The Neighbourhood Plan will remain in force until the Qualifying Body proposes to either modify or replace it. Monitoring of the Kirk Ireton Neighbourhood Plan will be undertaken by Kirk Ireton Parish Council.

2.7 There is a six week period where a claim for judicial review can be brought, starting from the date of the decision statement. This claim can only be brought where it is considered that there have been essentially procedural irregularities or an error of law associated with the preparation of the Plan, such as the conduct of the Referendum. A Decision Statement and Notice, see Appendix 2, have been produced in accordance with Section 38A (4&9) of the Planning and Compulsory Purchase Act 2004. The date of the Decision Statement will signify the start of the six week period.

3 RISK ASSESSMENT

3.1 Legal

The preparation of the Kirk Ireton Neighbourhood Plan has been undertaken in accordance with all relevant legislative requirements. The legal risk is therefore considered to be low.

3.2 Financial

The costs associated with the Neighbourhood Plan (mainly officer time, publicity and the independent examination) will be reclaimed through a government grant. The financial risk is, therefore, assessed as low.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

Esther Lindley - Senior Planning Policy Officer

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 Tel No. 01629 761241

6 BACKGROUND PAPERS

Description	Date	File
Kirk Ireton Neighbourhood Plan – Referendum Version	March 2020	https://www.derbyshiredales.gov.uk/images/KI_NP_Plan_Referendum_Version_26march2021.pdf
Kirk Ireton Neighbourhood Plan Consultation Statement	April 2019	https://www.derbyshiredales.gov.uk/images/documents/K/KI_NP_Consultation_Statement_&_Appendices.pdf
Kirk Ireton Neighbourhood Plan Basic Conditions Statement	April 2019	https://www.derbyshiredales.gov.uk/images/documents/K/KI_NP_Conditions_Statement_&_Appendices.pdf
Kirk Ireton Neighbourhood Plan Sustainability Appraisal	January 2019	https://www.derbyshiredales.gov.uk/images/K/KI_NP_SA_SEA_Screening_Jan_19.pdf
Report to Governance and Resources Committee 12 th March 2020	March 2020	https://www.derbyshiredales.gov.uk/images/Final_Agenda_Governance_and_Resources_-_12_March_20_1.pdf
Examiners Report on Kirk Ireton Neighbourhood Plan	February 2020	https://www.derbyshiredales.gov.uk/images/K/Kirk_Ireton_NP_Examination_Report_-_FINAL_REPORT_February_2020.pdf

7 ATTACHMENTS

APPENDIX 1: The Kirk Ireton Neighbourhood Plan July 2021

APPENDIX 2: The Kirk Ireton Neighbourhood Plan Decision Statement July 2021 and Notice of making of the Kirk Ireton Neighbourhood Plan July 2021



DERBYSHIRE DALES DISTRICT COUNCIL

KIRK IRETON NEIGHBOURHOOD PLAN

DECISION STATEMENT PUBLISHED PURSUANT TO SECTION 38A (9) OF THE PLANNING AND COMPULSORY PURCHASE ACT 2004 AND REGULATION 19 OF THE NEIGHBOURHOOD PLANNING (GENERAL) REGULATIONS 2012

Derbyshire Dales District Council on 1st July 2021 resolved to 'make' the Kirk Ireton Neighbourhood Development Plan under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.

The Kirk Ireton Neighbourhood Development Plan now forms part of the Development Plan for Derbyshire Dales and will be taken into account in local planning decisions.

The District Council has now published this decision statement that sets out the decision to make the neighbourhood plan and the reasons for doing so.

Decision and Reasons

The minutes of the decision of the Council on 1st July 2021 are as follows:

1. That the result of the referendum on the Kirk Ireton Neighbourhood Development Plan be noted.
2. That the Kirk Ireton Neighbourhood Development Plan be formally "made" as a Neighbourhood Development Plan, and form part of the Development Plan for the Derbyshire Dales.
3. That the Kirk Ireton Neighbourhood Development Plan be used in the determination of planning applications that are situated within the Plan Area with immediate effect.

The reasons for the District Council making this decision are as follows:

"The Neighbourhood Plan meets the basic conditions and its preparation process is compliant with legal and procedural requirements. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to make the Neighbourhood Plan if more than half of those voting in the referendum upon the plan have voted in favour of the plan being used to help decide planning applications in the area. The plan was endorsed by more than the required threshold in the referendum held on 6th May 2021."

Information on where to view the Neighbourhood Plan and its associated documents

You can view the Kirk Ireton Neighbourhood Plan and Decision Statement at the following location:

- Derbyshire Dales District Council, Town Hall, Bank Road, Matlock DE4 3NN
(During opening hours only)

It can also be viewed on the District Council's Website at www.derbyshiredales.gov.uk/KirkIretonNP

A copy of this decision statement is being sent to:

- Kirk Ireton Parish Council as the qualifying body and
- To any person who asked to be notified of the decision.



Notice of Making of the Kirk Ireton Neighbourhood Plan

**Planning and Compulsory Purchase Act 2004
Section 38A (4)
The Neighbourhood Planning (General) Regulations 2012
Regulations 19 & 20**

Derbyshire Dales District Council hereby gives notice that on 1st July 2021 it resolved to make the Kirk Ireton Neighbourhood Plan and bring it into force for the use in the determination of planning applications.

In making this decision the District Council considered that:

“The Neighbourhood Plan meets the basic conditions and its preparation process is compliant with legal and procedural requirements. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to make the Neighbourhood Plan if more than half of those voting in the referendum upon the plan have voted in favour of the plan being used to help decide planning applications in the area. The plan was endorsed by more than the required threshold in the referendum held on 6th May 2021”

A Decision Statement that sets out the decision and reason for making the decision to make the Kirk Ireton Neighbourhood Development Plan has been published in accordance with Regulation 19 of the Neighbourhood Planning (General) Regulations 2012.

Where can the Kirk Ireton Neighbourhood Plan & Decision Statement be inspected

You can view the Kirk Ireton Neighbourhood Development Plan and Decision Statement at the following locations:

- Derbyshire Dales District Council, Town Hall, Bank Road, Matlock DE4 3NN (Only during Opening Hours)
- It can also be viewed on the District Council's Website at www.derbyshiredales.gov.uk/KirkIretonNP

Report of the Director of Regeneration and Policy

ASHBOURNE NEIGHBOURHOOD PLAN

PURPOSE OF REPORT

The purpose of this report is to set out the outcome of the referendum into the Ashbourne Neighbourhood Plan and recommends that the Ashbourne Neighbourhood Development Plan be formally “made” under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.

RECOMMENDATION

1. That the result of the referendum on the Ashbourne Neighbourhood Development Plan be noted.
2. That the Ashbourne Neighbourhood Development Plan be formally “made” as a Neighbourhood Development Plan, and form part of the Development Plan for the Derbyshire Dales.
3. That the Ashbourne Neighbourhood Development Plan be used in the determination of planning applications that are situated within the Plan Area in accordance with the provisions of Section 1 of the Neighbourhood Planning Act 2017

WARDS AFFECTED

Ashbourne North & Ashbourne South

STRATEGIC LINK

The implementation of the Ashbourne Neighbourhood Plan will provide a wider planning framework for the Derbyshire Dales, focused within Ashbourne. The Neighbourhood Plan will complement policies set out within the Derbyshire Dales Local Plan (adopted 2017) to achieve high quality developments and environments for existing and new residents and communities of Ashbourne, and form part of the development plan for the District.

REASON FOR URGENCY

By Regulation, Neighbourhood Plans must be made within 8 weeks of a positive referendum. This meeting is the last possible opportunity for this to be achieved.

1 BACKGROUND

- 1.1 The Parish of Ashbourne was designated as a Neighbourhood Area in accordance with Section 61G of the Town and Country Planning Act (as amended by the Localism Act 2011) on the 20th March 2014. The designation of a Neighbourhood Area is one of the statutory requirements to enable a Neighbourhood Plan to be adopted and formally become a part of

the Development Plan, and be used in the determination of planning applications by the District Council.

- 1.2 Since that time Ashbourne Town Council, with the help of the Neighbourhood Plan Steering Group and the local community have prepared a Neighbourhood Plan for their Parish. The Plan sets out the vision for the future of the Parish and policies which if 'made' will be used in the determination of planning applications within the Neighbourhood Area.
- 1.3 In accordance with Regulation 15 of the Neighbourhood Planning (General) Regulations (2012), Ashbourne Town Council submitted the draft Ashbourne Neighbourhood Plan to the District Council on 23rd January 2019. Following submission of the Plan, the District Council assessed whether the Plan met the requirements of the Neighbourhood Planning (General) Regulations (2012).
- 1.4 Public consultation on the draft Ashbourne Neighbourhood Plan was undertaken for a period of six weeks, commencing on 14th August to 6th November 2020. The results of the first phase of public consultation were reported to Community & Environment Committee on 14th October 2020 (Minute 117/20).
- 1.5 The Examination of the Plan was undertaken by an independent Examiner, Andrew Matheson MSc MPA DipTP MRTPI FCIH. The Examination in Public was undertaken by written representation during the period November 2020 - March 2021 and the Examiner's report was submitted to the District Council on 4th March 2021. This recommended that subject to a series of modifications to meet the necessary legal requirements, the Plan could proceed to Referendum.
- 1.6 The District Council resolved on 25th March 2021 that in accordance with the Examiners recommendations, the Ashbourne Neighbourhood Plan should proceed to referendum (Minute 311/20)
- 1.7 The provisions of Section 1 of the Neighbourhood Planning Act 2017 are such that the District Council must already have regard, in dealing with planning applications, to the post examination draft Ashbourne Neighbourhood Development Plan, so far as material to the application.

2 REFERENDUM RESULTS

- 2.1 A referendum was held on the 6th May 2021 at which the following question as defined in the Neighbourhood Planning (Referendums) Regulations 2012 Schedule 1 was asked:

Do you want Derbyshire Dales District Council to use the neighbourhood plan for Ashbourne to help it decide planning applications in the neighbourhood area?

- 2.2 The results of the Referendum were as follows:

Those voting in Favour YES	2,397
Those Voting Against NO	250
(37.3% turnout)	

- 2.3 Section 38A (4) of the Planning and Compulsory Purchase Act 2004 requires that the local planning authority must make a Neighbourhood Development Plan as soon as reasonably practicable after the referendum has been held in the event that more than half of those voting have voted in favour of the plan. Regulation 18a of the Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulations 2016 state that a Neighbourhood Development Plan must be made within eight weeks of the day after the referendum, which in this instance is 1st July 2021.
- 2.4 Given the result of the referendum it is recommended that the Ashbourne Neighbourhood Plan be formally made and used in the determination of planning in accordance with the provisions of Section 1 of the Neighbourhood Planning Act 2017.
- 2.5 A copy of the final version of the plan is attached at Appendix 1 to this report. The Ashbourne Neighbourhood Plan will be available online (www.derbyshiredales.gov.uk/AshbourneNP) and at Town Hall Matlock in accordance with Covid Regulations.
- 2.6 The Neighbourhood Plan will remain in force until the Qualifying Body proposes to either modify or replace it. Monitoring of the Ashbourne Neighbourhood Plan will be undertaken by Ashbourne Town Council.
- 2.7 There is a six week period were a claim for judicial review can be brought, starting from the date of the decision statement. This claim can only be brought for where it is considered that there have been essentially procedural irregularities or an error of law associated with the preparation of the Plan, such as the conduct of the referendum. A Decision Statement and Notice, set out in Appendix 2, have been produced in accordance with Section 38A (4&9) of the Planning and Compulsory Purchase Act 2004. The date of the Decision Statement will signify the start of the six week period.

3 RISK ASSESSMENT

3.1 Legal

The preparation of the Ashbourne Neighbourhood Plan has been undertaken in accordance with all relevant legislative requirements. The legal risk is therefore considered to be low.

3.2 Financial

The costs associated with the Neighbourhood Plan (mainly officer time, publicity and the independent examination) will be reclaimed through a government grant. The financial risk is, therefore, assessed as low.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

Mike Hase - Policy Manager
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Tel. 01629 761251

6 BACKGROUND PAPERS

Description	Date	File
Ashbourne Neighbourhood Plan	January 2019	https://www.derbyshiredales.gov.uk/images/documents/A/200123_NP_THE_FINAL_Version_FV.pdf
Ashbourne Neighbourhood Plan Consultation Statement	Undated	https://www.derbyshiredales.gov.uk/images/documents/C/290128_-_consultation_FV.pdf
Ashbourne Neighbourhood Plan Basic Conditions Statement	June 2018	https://www.derbyshiredales.gov.uk/images/documents/B/Ashbourne_NP_BC_Statement_Final_Jun_18.pdf
Ashbourne Neighbourhood Plan Sustainability Appraisal	September 2017	https://www.derbyshiredales.gov.uk/images/documents/N/Ashbourne_NP-March_2017_Screening_Sept_17_FINAL.pdf
Report to Community and Environment Committee 14 th October 2020	October 2020	https://www.derbyshiredales.gov.uk/images/documents/A/ANP_Report_Accessible_16nov2020_003.pdf
Examiners Report on Ashbourne Neighbourhood Plan	March 2021	https://www.derbyshiredales.gov.uk/images/E/Ashbourne_Examination_Report_-_FINAL_March_2021.pdf

7 ATTACHMENTS

APPENDIX 1: The Ashbourne Neighbourhood Plan July 2020

APPENDIX 2: The Ashbourne Neighbourhood Plan Decision Statement July 2020 and Notice of making of the Ashbourne Neighbourhood Plan July 2020



DERBYSHIRE DALES DISTRICT COUNCIL

ASHBOURNE NEIGHBOURHOOD PLAN

DECISION STATEMENT PUBLISHED PURSUANT TO SECTION 38A (9) OF THE PLANNING AND COMPULSORY PURCHASE ACT 2004 AND REGULATION 19 OF THE NEIGHBOURHOOD PLANNING (GENERAL) REGULATIONS 2012

Derbyshire Dales District Council on 1st July 2021 resolved to 'make' the Ashbourne Neighbourhood Development Plan under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.

The Ashbourne Neighbourhood Development Plan now forms part of the Development Plan for Derbyshire Dales and will be taken into account in local planning decisions.

The District Council has now published this decision statement that sets out the decision to make the neighbourhood plan and the reasons for doing so.

Decision and Reasons

The minutes of the decision of the Council on 1st July 2021 are as follows:

1. That the result of the referendum on the Ashbourne Neighbourhood Development Plan be noted.
2. That the Ashbourne Neighbourhood Development Plan be formally "made" as a Neighbourhood Development Plan, and form part of the Development Plan for the Derbyshire Dales.
3. That the Ashbourne Neighbourhood Development Plan be used in the determination of planning applications that are situated within the Plan Area with immediate effect.

The reasons for the District Council making this decision are as follows:

"The Neighbourhood Plan meets the basic conditions and its preparation process is compliant with legal and procedural requirements. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to make the Neighbourhood Plan if more than half of those voting in the referendum upon the plan have voted in favour of the plan being used to help decide planning applications in the area. The plan was endorsed by more than the required threshold in the referendum held on 21st January 2020."

Information on where to view the Neighbourhood Plan and its associated documents

You can view the Ashbourne Neighbourhood Plan and Decision Statement at the following location:.

- Derbyshire Dales District Council, Town Hall, Bank Road, Matlock DE4 3NN
(During opening hours only)

It can also be viewed on the District Council's Website at www.derbyshiredales.gov.uk/Ashbournenp

A copy of this decision statement is being sent to:

- Ashbourne Town Council as the qualifying body and
- To any person who asked to be notified of the decision.



Notice of Making of the Ashbourne Neighbourhood Plan

**Planning and Compulsory Purchase Act 2004
Section 38A (4)
The Neighbourhood Planning (General) Regulations 2012
Regulations 19 & 20**

Derbyshire Dales District Council hereby gives notice that on 1st July 2021 it resolved to make the Ashbourne Neighbourhood Plan and bring it into force for the use in the determination of planning applications.

In making this decision the District Council considered that:

“The Neighbourhood Plan meets the basic conditions and its preparation process is compliant with legal and procedural requirements. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to make the Neighbourhood Plan if more than half of those voting in the referendum upon the plan have voted in favour of the plan being used to help decide planning applications in the area. The plan was endorsed by more than the required threshold in the referendum held on 6th May 2021”

A Decision Statement that sets out the decision and reason for making the decision to make the Ashbourne Neighbourhood Development Plan has been published in accordance with Regulation 19 of the Neighbourhood Planning (General) Regulations 2012.

Where can the Ashbourne Neighbourhood Plan & Decision Statement be inspected

You can view the Ashbourne Neighbourhood Development Plan and Decision Statement at the following locations:

- Derbyshire Dales District Council, Town Hall, Bank Road, Matlock DE4 3NN (Only during Opening Hours)
- It can also be viewed on the District Council's Website at www.derbyshiredales.gov.uk/AshbourneNP

Governance and Resources Committee
1st July 2021

Report of the Director of Regeneration and Policy

BRAILSFORD NEIGHBOURHOOD PLAN

PURPOSE OF REPORT

The purpose of this report is to set out the outcome of the referendum into the Brailsford Neighbourhood Plan and recommends that the Brailsford Neighbourhood Development Plan be formally “made” under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.

RECOMMENDATION

1. That the result of the referendum on the Brailsford Neighbourhood Development Plan be noted.
2. That the Brailsford Neighbourhood Development Plan be formally “made” as a Neighbourhood Development Plan, and form part of the Development Plan for the Derbyshire Dales.
3. That the Brailsford Neighbourhood Development Plan be used in the determination of planning applications that are situated within the Plan Area in accordance with the provisions of Section 1 of the Neighbourhood Planning Act 2017.

WARDS AFFECTED

Brailsford

STRATEGIC LINK

The implementation of the Brailsford Neighbourhood Plan will provide a wider planning framework for the Derbyshire Dales, focused within Brailsford. The Neighbourhood Plan will complement policies set out within the Derbyshire Dales Local Plan (adopted 2017) to achieve high quality developments and environments for existing and new residents and communities of Brailsford, and form part of the development plan for the District.

REASON FOR URGENCY

By Regulation, Neighbourhood Plans must be made within 8 weeks of a positive referendum. This meeting is the last possible opportunity for this to be achieved.

1 BACKGROUND

- 1.1 The Parish of Brailsford and Ednaston was designated as a Neighbourhood Area in accordance with Section 61G of the Town and Country Planning Act (as amended by the Localism Act 2011) on the 7th April 2015. The designation of a Neighbourhood Area is one of the statutory requirements to enable a Neighbourhood Plan to be adopted and formally

become a part of the Development Plan, and be used in the determination of planning applications by the District Council.

- 1.2 Since that time Brailsford Parish Council, with the help of the Neighbourhood Plan Steering Group and the local community have prepared a Neighbourhood Plan for their Parish. The Plan sets out the vision for the future of the Parish and policies which if 'made' will be used in the determination of planning applications within the Neighbourhood Area.
- 1.3 In accordance with Regulation 15 of the Neighbourhood Planning (General) Regulations (2012) Brailsford Parish Council submitted the draft Brailsford Neighbourhood Plan to the District Council in February 2020. Following submission of the Plan, the District Council assessed whether the Plan met the requirements of the Neighbourhood Planning (General) Regulations (2012).
- 1.4 Public consultation on the draft Brailsford Neighbourhood Plan was undertaken for a period of six weeks, commencing 9th November and finishing on 21st December 2020. The Examination of the Plan was undertaken by an independent Examiner, Andrew Matheson MSC MPA DipTP MRTPI FCIH. The Examination in Public was undertaken by written representation during December 2020 – March 2021, and the Examiner's report was received on 13th March 2021. This recommended that subject to a series of modifications to meet the necessary legal requirements, the Plan could proceed to Referendum. The District Council resolved on 25th March 2021 that in accordance with the Examiner's recommendations, the Brailsford Neighbourhood Plan should proceed to Referendum (Minute 312/20).
- 1.5 The provisions of Section 1 of the Neighbourhood Planning Act 2017 are such that the District Council must already have regard, in dealing with planning applications, to the post examination draft Brailsford Neighbourhood Development Plan, so far as material to the application.

2 REFERENDUM RESULTS

- 2.1 A referendum was held on 6th May 2021 at which the following question as defined in the Neighbourhood Planning (Referendums) Regulations 2021 Schedule 1 was asked:

Do you want Derbyshire Dales District Council to use the neighbourhood plan for Brailsford Parish to help it decide planning applications in the neighbourhood area?

- 2.2 The results of the Referendum were as follows:

Those voting in favour YES	454
Those voting against NO	34
(44.7% turnout)	

- 2.3 Section 38A (4) of the Planning and Compulsory Purchase Act 2004 requires that the local planning authority must make a Neighbourhood Development Plan as soon as reasonably practicable after the referendum has been held in the event that more than half of those voting have voted in favour of the

Plan. Regulation 18a of the Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulation 2016 states that a Neighbourhood Development Plan must be made within eight weeks of the day after the referendum, which in this instance is the 1st July 2021.

2.4 Given the result of the referendum it is recommended that the Brailsford Neighbourhood Plan be formally made and used in the determination of planning applications in accordance with the provisions of Section 1 of the Neighbourhood Planning Act 2017.

2.5 A copy of the final version of the Plan is attached in Appendix 1 to this report. The Brailsford Neighbourhood Plan will be available online (www.derbyshiredales.gov.uk/BrailsfordNP) and hard copies will be made available at the District Council Offices in Matlock in accordance with Covid Regulations.

2.6 The Neighbourhood Plan will remain in force until the Qualifying Body proposes to either modify or replace it. Monitoring of the Brailsford Neighbourhood Plan will be undertaken by Brailsford Parish Council.

2.7 There is a six week period where a claim for judicial review can be brought, starting from the date of the decision statement. This claim can only be brought where it is considered that there have been essentially procedural irregularities or an error of law associated with the preparation of the Plan, such as the conduct of the Referendum. A Decision Statement and Notice, see Appendix 2, have been produced in accordance with Section 38A (4&9) of the Planning and Compulsory Purchase Act 2004. The date of the Decision Statement will signify the start of the six week period.

3 RISK ASSESSMENT

3.1 Legal

The preparation of the Brailsford Neighbourhood Plan has been undertaken in accordance with all relevant legislative requirements. The legal risk is therefore considered to be low.

3.2 Financial

The costs associated with the Neighbourhood Plan (mainly officer time, publicity and the independent examination) will be reclaimed through a government grant. The financial risk is, therefore, assessed as low.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

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Tel. 01629 761241

6 BACKGROUND PAPERS

Description	Date	File
Brailsford Neighbourhood Plan – Referendum Version	March 2021	https://www.derbyshiredales.gov.uk/images/NP_Brailsford_Referendum_Version_30_3_21.pdf
Brailsford Neighbourhood Plan Consultation Statement	November 2019	https://www.derbyshiredales.gov.uk/images/B/NPConsultationStatement211119.pdf
Brailsford Neighbourhood Plan Basic Conditions Statement	Undated	https://www.derbyshiredales.gov.uk/images/B/NPBasicConditionsNov19.pdf
Brailsford Neighbourhood Plan Sustainability Appraisal	February 2018	https://www.derbyshiredales.gov.uk/images/documents/B/Brailsford_NP_SEA_Screening_FINAL_submission_version_Feb_18.pdf
Report to Community and Environment Committee 25 th March 2021	March 2021	https://www.derbyshiredales.gov.uk/images/AGENDA_25-03-2021_CE_-_Special_Meeting.pdf
Examiners Report on Brailsford Neighbourhood Plan	13 th March 2021	https://www.derbyshiredales.gov.uk/images/Brailsford_Examination_Report_-_FINAL_March_2021.pdf

7 ATTACHMENTS

APPENDIX 1: The Brailsford Neighbourhood Plan July 2021

APPENDIX 2: The Brailsford Neighbourhood Plan Decision Statement July 2021 and Notice of making of the Brailsford Neighbourhood Plan July 2021



DERBYSHIRE DALES DISTRICT COUNCIL

BRAILSFORD NEIGHBOURHOOD PLAN

DECISION STATEMENT PUBLISHED PURSUANT TO SECTION 38A (9) OF THE PLANNING AND COMPULSORY PURCHASE ACT 2004 AND REGULATION 19 OF THE NEIGHBOURHOOD PLANNING (GENERAL) REGULATIONS 2012

Derbyshire Dales District Council on 1st July 2021 resolved to 'make' the Brailsford Neighbourhood Development Plan under Section 38A(4) of the Planning and Compulsory Purchase Act 2004.

The Brailsford Neighbourhood Development Plan now forms part of the Development Plan for Derbyshire Dales and will be taken into account in local planning decisions.

The District Council has now published this decision statement that sets out the decision to make the neighbourhood plan and the reasons for doing so.

Decision and Reasons

The minutes of the decision of the Council on 1st July 2021 are as follows:

1. That the result of the referendum on the Brailsford Neighbourhood Development Plan be noted.
2. That the Brailsford Neighbourhood Development Plan be formally "made" as a Neighbourhood Development Plan, and form part of the Development Plan for the Derbyshire Dales.
3. That the Brailsford Neighbourhood Development Plan be used in the determination of planning applications that are situated within the Plan Area with immediate effect.

The reasons for the District Council making this decision are as follows:

"The Neighbourhood Plan meets the basic conditions and its preparation process is compliant with legal and procedural requirements. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to make the Neighbourhood Plan if more than half of those voting in the referendum upon the plan have voted in favour of the plan being used to help decide planning applications in the area. The plan was endorsed by more than the required threshold in the referendum held on 6th May 2021."

Information on where to view the Neighbourhood Plan and its associated documents

You can view the Brailsford Neighbourhood Plan and Decision Statement at the following location:

- Derbyshire Dales District Council, Town Hall, Bank Road, Matlock DE4 3NN
(During opening hours only)

It can also be viewed on the District Council's Website at www.derbyshiredales.gov.uk/BrailsfordNP

A copy of this decision statement is being sent to:

- Brailsford Parish Council as the qualifying body and
- To any person who asked to be notified of the decision.



Notice of Making of the Brailsford Neighbourhood Plan

**Planning and Compulsory Purchase Act 2004
Section 38A (4)
The Neighbourhood Planning (General) Regulations 2012
Regulations 19 & 20**

Derbyshire Dales District Council hereby gives notice that on 1st July 2021 it resolved to make the Brailsford Neighbourhood Plan and bring it into force for the use in the determination of planning applications.

In making this decision the District Council considered that:

“The Neighbourhood Plan meets the basic conditions and its preparation process is compliant with legal and procedural requirements. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to make the Neighbourhood Plan if more than half of those voting in the referendum upon the plan have voted in favour of the plan being used to help decide planning applications in the area. The plan was endorsed by more than the required threshold in the referendum held on 6th May 2021”

A Decision Statement that sets out the decision and reason for making the decision to make the Brailsford Neighbourhood Development Plan has been published in accordance with Regulation 19 of the Neighbourhood Planning (General) Regulations 2012.

Where can the Brailsford Neighbourhood Plan & Decision Statement be inspected

You can view the Brailsford Neighbourhood Development Plan and Decision Statement at the following locations:

- Derbyshire Dales District Council, Town Hall, Bank Road, Matlock DE4 3NN (Only during Opening Hours)
- It can also be viewed on the District Council's Website at www.derbyshiredales.gov.uk/BrailsfordNP

GOVERNANCE AND RESOURCES COMMITTEE

1 JULY 2021

Report of the Director of Regeneration and Policy

CONSULTATION AND ENGAGEMENT STRATEGY 2021-2027

PURPOSE OF REPORT

To seek Members' approval for an updated Consultation Strategy and a series of proposals whose aim is to improve and enrich consultation undertaken by the District Council, the outcome of which will enable Members to be better informed about the views of local residents when making decisions on changes to service delivery and policies.

RECOMMENDATION

1. That Members approve the Consultation Strategy 2021 to 2027 as set out in Appendix 1
2. That Members approve the implementation of the six proposals as set out in Section Three as ways of seeking to improve the range and depth of consultation undertaken by the District Council.
3. That Members approve the inclusion of an additional £2,500 in the annual revenue spending proposals from 2022/23 onwards for the provision of bi-annual residents satisfaction surveys.
4. That approval is given to the immediate procurement of a detailed residents survey with results being presented to Council at its meeting on 25th November 2021.

WARDS AFFECTED

All

STRATEGIC LINK

The District Council has a statutory and general duty to consult with the community in carrying out its functions and activities. The consultation activities described in the report are linked to the Council's Corporate Plan 2020-24; particularly those actions which involve changes to existing services/facilities, or the development of new ones.

1 BACKGROUND

- 1.1 The District Council has a statutory duty to consult. For some services areas public consultation is a statutory part of the relevant processes e.g. licensing, [planning and housing](#). Elsewhere the District Council has a general duty to consult stakeholders as set out in [Section 3 of the Local Government Act 1999](#).
- 1.2 Failure to undertake statutory consultation could result in the District Council being subject to judicial review of the decisions it has made, as well as fines for non-compliance with legislation. Non-statutory consultations have no legal status but do enable the District Council to hear from a representative cross-section of the population.
- 1.3 The District Council's approach to consultation is guided by the Government's [seven consultation criteria](#). These include, when to consult, duration of consultation, clarity of scope and impact, accessibility of consultation, the burden of consulting, responsiveness of consultation, and the capacity to consult.
- 1.4 The District Council's existing [Consultation and Engagement Strategy](#) has four objectives:
 1. To improve the performance of Council services
 2. To develop and evaluate the Council's policies, services and projects
 3. To inform the prioritisation of resources available to the Council
 4. To promote dialogue with local communities and enable local delivery of services where appropriate
- 1.5 The [Consultation and Engagement Plan 2020-22](#) sets out the District Council's consultation activities that services plan to undertake over the course of this year and next year. This includes a customer satisfaction with housing needs services, views on the budget for 2022/23, a review of the Council's car parking orders, satisfaction with waste services, and views on the Derbyshire Dales Local Plan review.

2 REPORT

- 2.1 The District Council's current Consultation and Engagement Strategy covered the period 2014-2019. Given that this is now out of date an updated Consultation and Engagement Strategy for 2021 to 2027 has been prepared and is set out in Appendix 1 for Members approval.
- 2.2 The revised Consultation and Engagement Strategy describes the Council's approach to consultation, including a background to the relevant legislation and the consultation objectives.
- 2.3 It reiterates the need for the District Council to adhere to the 4 key Gunning principles for consultation. These which if followed, are designed to make consultation a fair and worthwhile exercise:
 - That consultation must be at a time when proposals are still at a formative stage.

- That the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response.
- That adequate time is given for consideration and response.
- That the product of consultation is conscientiously taken into account when finalising the decision.

2.4 Similarly the Government's [seven consultation criteria](#) form the basis of the strategy. These include.

- When to consult - Formal consultation should take place at a stage when there is scope to influence the policy outcome.
- Duration of consultation exercises - Consultations should normally last for 6 weeks with consideration given to longer timescales where considered appropriate.
- Clarity of scope and impact - Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.
- Accessibility of consultation exercises - Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.
- The burden of consultation - Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
- Responsiveness of consultation exercises - Consultation responses should be analysed carefully and clear feedback should be provided to Members and participants following the consultation.
- Capacity to consult - Officers running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience. It must also be borne in mind that the District Council has a 0.2 FTE consultation officer post only, and that capacity in service departments is also limited.

3 PROPOSALS FOR IMPROVING CONSULTATION

3.1 The Consultation and Engagement Strategy 2021 to 2027 sets out that the District Council will consult using methods which work best for those that it wants to engage including:

- Website surveys and polls
- Residents' surveys
- Area Community Forums
- Public meetings, exhibitions and 'drop-in' sessions
- Focus groups (to drill down into specific issues)
- Business breakfasts and evening meetings
- Parish and Town Council conferences
- Attending meetings and events with representatives of hard to reach groups and holding engagement events in venues used by these groups.

- 3.2 The Consultation and Engagement Strategy and its accompanying Consultation and Engagement Plan are monitored by the Corporate Leadership Team and reported to Members annually. The strategy, plan and further information on consultations are available to the public on the District Council's website.
- 3.3 To date the District Council has been able to meet its legal obligations by undertaking consultation when required to do so in relation to changes in service delivery and policies. Nevertheless it is appropriate to give consideration to ways in which the District Council can improve its performance in relation to consultation.
- 3.4 In considering reports which have involved the use of consultation to assess public opinion about service delivery and policies, Members have indicated concerns in respect of three key issues:
- Results of consultation activities do not produce sufficient numbers of responses to gain a true perspective of what residents feel
 - The people who respond to consultation are not representative of our population; the majority are over 40, with almost no responses from under 30s.
 - Any quantitative data provides only a limited insight as to the justification for the responses provided.

- 3.5 The following section therefore seeks to provide Members with some background on the approach the District Council has taken to consultation, some examples of previous consultations that exemplify the issues identified by Members and sets out proposals to address these three key issues.
- 3.6 Some Members will be aware that for a number of years the District Council operated a Citizens Panel which was made up of a representative sample of residents from all ages, sexes, backgrounds and locations from across the District. However this proved costly to maintain as continual recruitment activities were necessary to ensure the panel remained representative.
- 3.7 The Citizens' Panel was replaced by the current Online Panel in autumn 2016. The Online Panel is drawn from local people who have registered an interest in taking part – currently 928 people are members of the online panel The Online Panel is primarily used for both corporate consultation and service specific consultations. The surveys are generally short and quick to complete with each member having agreed to receive up to six online questionnaires on a range of topics each year.
- 3.8 By its very nature the Online Panel consists of residents who have volunteered to participate and as such this self-selecting group cannot be considered to be fully representative of the residents of Derbyshire Dales. There is consequentially a need to consider potential solutions that seek to deliver a more representative panel membership.
- 3.9 There are many examples of the Council's previous consultation activities and the outcomes on the [website](#). The following examples are indicative of many consultations undertaken across the District Council and illustrate the problems as well as indicate some potential solutions.
- 3.10 The Council's annual satisfaction survey, completed by the Online Panel, comprises of questions previously prescribed by the Government plus some additional questions about the District Council's customer services. The survey includes both 'satisfaction' and 'quality of life' questions, with a particular focus on residents' perceptions of their local area and their satisfaction with services provided by the District Council. A report on the most recent results was considered by Governance and Resources Committee on 19th November 2020. (Minute 158/20 applies). In relation to this survey the following points are to note:
- 3.11 From an Online Panel of 885 members, at the time of the survey, we received 421 [47%] responses to our 2020 Satisfaction Survey;
- 30 [7%] of responses were from people under the age of 45
 - 138 [33%] of responses were from the 65 – 74 year age group
- 3.12 Whilst 47% would in general terms be considered to be a good response rate for the survey the actual numbers do not necessarily provide a sufficient level of responses to ensure that they can be representative of residents of the District Council.
- 3.13 By increasing the overall number of responses to surveys, this will enable Members to be confident that the responses are more representative of Derbyshire Dale's residents. Similarly if responses are received from a more

representative cross section of residents then Members can also be confident of making decisions based upon the comments received.

- 3.14 Data from the Annual Satisfaction survey has historically only been provided quantitatively. It has therefore not given insight as to the reasons for the responses given. This led to Members asking for additional qualitative responses in the next survey so that the District Council can identify actions that need to be taken to address any concerns. The addition of one or two questions to surveys, allowing respondents to write their own responses is achievable within the software used. Analysis of any qualitative responses would assist Members when considering any changes to service delivery or policies. The value of qualitative data can be seen in the following example.
- 3.15 The [Consultation for the 2021/22 budget](#) was carried out from the 17th Feb/ 3rd March 2021. A presentation was placed on the District Council's website and the views of residents and businesses were sought. Results were reported at the Council Meeting on 4 March 2021.
- 3.16 Only seven businesses responded along with thirty two individuals. Although this sample size is in no way representative, the inclusion of qualitative data gathering questions elicited insight. For example, comments showed that dissatisfaction from businesses was related to the business rates system itself and/or rate reliefs, which are set by central government and outside the control of this Council. This indicated that businesses were generally happy with our budget but need further information about how the rates system works and who to contact if they have comments to make. Both valuable insights gained from qualitative data.
- 3.17 The District Council carries out a detailed customer consultation every four years to inform the development of the Corporate Plan. The last Corporate Plan consultation was undertaken in spring 2019 and led to the preparation of the current Corporate Plan.
- 3.18 The last customer consultation for the District Council was undertaken by consultants MEL Research and comprised of a random sample of local residents. A total of 1225 responses were received. Even given this good sample, true cross sectional representation of residents was difficult for the consultants to achieve, requiring additional 'top up' research.
- 3.19 The following actions are therefore proposed in order to improve and enrich consultation at the Council by increasing the number of responses received from a more age representative group, and asking open questions to elicit qualitative data.
- 3.20 **Proposal One** - Retain and bolster the Online Panel, continuing to use it for ad-hoc consultation where a quick response is needed, accepting it is self-selecting and will not be statistically representative. Swift responses can be gathered from the panel, however there is a need to boost membership and, if possible, increase its representativeness. The proposal is to use posters (with a QR code) in libraries, Leisure Centres and other community groups, inviting people to join the panel membership. This work would be carried out internally within existing resources
- 3.21 **Proposal Two** - To feedback to Online Panel members, via a 'You Said, We Did' e-mail newsletter and article in Dales Matters. It is proposed that such an

article be included in Dales Matters in the autumn 2021 issue, along with an invitation to local residents to join the Online Panel.

- 3.22 **Proposal Three** - To include an optional postcode question on surveys, to give a better understanding of the potential reasons for resident satisfaction or dissatisfaction levels; and where appropriate to use a small number of qualitative questions to increase the value of responses to consultation
- 3.23 **Proposal Four** - Carry out a bi-annual paid-for residents' survey which would be similar to the Council's four yearly corporate plan survey. This would be a random survey, which seeks to provide a sufficient number of responses (1,000+) so as to be statistically representative. This survey would monitor satisfaction with the area and the District Council. As the last customer survey of this nature was undertaken in spring 2019 it is considered that running such survey during the remainder of 2021 would be appropriate.
- 3.24 **Proposal Five** - For major consultations with a high propensity for widespread public interest e.g. changes to waste and recycling collections, the online panel would be supplemented by a web survey, which would be promoted by leaflets and/or social media boosts.
- 3.25 **Proposal Six** - To plan the use of the Online Panel according to actions contained in the Equality, Consultation and Engagement Plan 2020 to 2022 and for the Senior Management Team to take ownership of the plan

4 RISK ASSESSMENT

4.1 Legal

Current consultations meet legislative requirements, however failure to undertake consultation could result in the District Council being subject to judicial review of the decisions it has made for non-compliance with legislation.

The legal risk is considered low at this stage.

4.2 Financial

There is currently budgetary provision for undertaking a paid-for residents' survey every four years. Each survey costs approx. £10,000. Running a £10,000 survey every two years (as opposed to every four years) will cost approximately £2,500 per year above current budget. The 2021 survey cost can be met from reserves but the future increased cost would need to be added to the base budget in 2022/23 as a growth item.

5 OTHER CONSIDERATIONS

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

6 CONTACT INFORMATION

- 6.1 Elizabeth Wilson, Policy Officer [Performance Management, Equalities & Consultation]

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7 BACKGROUND PAPERS

- 7.1 [Consultation Strategy](#)
- 7.2 [Equality, Consultation and Engagement plan 2020 - 22](#)

8 ATTACHMENTS

- 8.1 Appendix One – Consultation Strategy 2021 to 2027

Appendix One



Consultation & Engagement Strategy

2021 – 2027

Updated July 2021

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Introduction

Consultation is any activity that gives local people a voice and an opportunity to influence important decisions. In the context of the District Council it involves listening to the local community before decisions are made or priorities are set. The term consultation usually applies to activities, that are undertaken that are aimed at finding out what residents think about significant changes or proposals that affect them e.g. plans to close schools, regenerate or redevelop a local area, or planning applications.

Councils sometimes have a statutory requirement to consult their residents in relation to some of the services that it operates. This is especially true for services such as planning. Consultation has many advantages which is why the District Council carries out consultation activities when it is not legally required to do so.

Consultation enables the council to;

- improve planning, policy and decision making
- make better use of resources
- access new information, ideas and suggestions
- encourage greater participation in the activities of the council
- govern by consent (a full and fair consultation, with careful consideration of all views, can strengthen the legitimacy of the prevailing view among those people not in favour of the final decision)
- measure residents' satisfaction with the council
- shape council activities around residents' needs and aspirations

The District Council actively seeks feedback from its customers and staff to ensure that it is effective in undertaking consultation about its services and plans. An annual Online Panel survey gauges residents' satisfaction with the local area, with the way the Council functions in key areas, and with the public services it provides.

The Corporate Plan 2020-24 sets out the vision and improvement priorities for Derbyshire Dales District over the next four years. It is the key strategy from which the District Council's Budget and Service Plans cascade.

There are 3 broad priority areas that were agreed at the Council meeting on 5 March 2020:

- People - providing you with a high quality customer experience
- Place - keeping the Derbyshire Dales Clean, Green and Safe; and
- Prosperity - supporting better homes and jobs for you.

These corporate priorities have been informed by extensive consultation with local residents via a survey, telephone interviews and workshop which together involved 1,431 people. The results of this consultation were considered and shaped into specific objectives by Councillors and those involved in delivering the services.

Staff are consulted via an Employee Survey with results feeding into organisational and Personal Development Plans [PDP]. PDP plans are used to ensure employees have clear objectives that link to Corporate Actions to complete each year. These are agreed during discussions with line managers.

Legislation

The District Council also has a statutory duty to consult which is integral to mainstreaming equalities, particularly in the setting and delivery of equality objectives. ***In some services areas public consultation is a statutory part of the relevant processes e.g. licensing, [planning and housing](#). Elsewhere the District Council has a general duty to consult as set out in [Section 3 of the Local Government Act 1999](#)***

The legislation states that an authority must consult stakeholders, described in law as the representatives of persons who are;

- a) Liable to pay any tax, precept or levy to or in respect of the authority
- b) Liable to pay non-domestic rates in respect of any area within which the authority carries out functions,
- c) Who use or are likely to use services provided by the authority
- d) Appearing to the authority to have an interest in any area within which the authority carries out functions.

The [Equality Act 2010 \[Section 149\]](#) states that public bodies must have “due regard” to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

One method of doing this is carrying out Equality Impact Assessments [EIAs] to demonstrate that decision-makers are fully aware of the impact that any planned changes to Council policies, services, or actions may have on stakeholders. Consultation can add evidence to the assessment and is key to demonstrating that organisations are meeting their equality duties.

Failure to undertake consultation could result in the District Council being subject to judicial review of the decisions it has made, as well as fines for none compliance with legislation.

Non-statutory consultations have no legal status but do enable the District Council to hear from a representative cross-section of the population.

Our objectives

The Consultation & Engagement Strategy has four objectives:

5. To improve the performance of Council services
6. To develop and evaluate the Council’s policies, services and projects
7. To inform the prioritisation of resources available to the Council
8. To promote dialogue with local communities and enable local delivery of services where appropriate

The Council’s Approach

The Council will adhere to the 4 key Gunning principles¹ for consultation:

They consist of four rules, which if followed, are designed to make consultation fair and a worthwhile exercise:

1. That consultation must be at a time when proposals are still at a formative stage.

¹ R v London Borough of Brent ex parte Gunning [1985] 84 LGR 168
See also Moseley, R v London Borough of Haringey [2014] UKSC 56 (29 October 2014)

2. That the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response.
3. That adequate time is given for consideration and response.
4. That the product of consultation is conscientiously taken into account when finalising the decision.

In the case of *Moseley v Haringey*, the Supreme Court added two further general principles:

1. The degree of specificity regarding the consultation should be influenced by those who are being consulted;
2. The demands of fairness are likely to be higher when the consultation relates to a decision which is likely to deprive someone of an existing benefit.

Other elements of the Council's Approach

Involving

Stakeholders [defined in section 2] will be actively involved in the development of initial solutions or outcomes. This could be a simple conversation between two people or a focus group session with interested groups. This level of engagement gives stakeholders the greatest influence over decisions and/or delivery.

Formally consulting

Stakeholders are asked what they think of the proposals through a formal consultation process including surveys and direct engagement. The feedback from this stage may result in the District Council returning to the involvement stage for further reevaluation of issues and options. Consultation may also include some research and fact finding of views and issues which help to inform solutions and options.

Informing

A wider base of people interested in the outcome are informed about the solution or outcome and how it will be implemented.

We use a multi-channel approach for our communications, as set out in the Derbyshire Dales District Council's [Communications and Marketing Strategy](#)

The Council's Strategy

This Consultation & Engagement Strategy provides the overall framework for the District Council's consultation and engagement activity up to 2023. The Government's [seven consultation criteria](#) form the basis of this strategy.

1. When to consult - Formal consultation should take place at a stage when there is scope to influence the policy outcome.
2. Duration of consultation exercises - Consultations should normally last for 6 weeks with consideration given to longer timescales where considered appropriate.
3. Clarity of scope and impact - Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

4. Accessibility of consultation exercises - Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.
5. The burden of consultation - Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
6. Responsiveness of consultation exercises - Consultation responses should be analysed carefully and clear feedback should be provided to Members and participants following the consultation.
7. Capacity to consult - Officers running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience

How we deliver our objectives

The District Council's commitments to consultation seek to ensure that they adhere to the 4 key Gunning principles² :

1. The proposals consulted on must still be at a formative stage
 - We will be clear about the level of influence participants have over the final decisions
2. There must be sufficient reasons for proposals to permit 'intelligent consideration'
 - We will provide background information and documents explaining the purpose and context of the consultation
 - Where there are options we have considered and discarded, we will explain why
 - Key messages will be used in conjunction with supporting evidence for the statement used
 - Where possible we will include assessments of the costs and benefits of options being considered
3. There must be adequate time for consideration and response
 - The time period for consultation will be proportionate to the significance of the issue and to benefits gained from involvement. Statutory consultation will be carried out within the specified timeframe
 - Under normal circumstances, consultations will normally last for 6 weeks, although in some instances this may be longer; this is factored into project plans for policy development work.
 - The consultation period will be longer if for example, the policy is complex, or it affects specific groups, takes place over a holiday period, or affects hard to reach groups. This enables all key stakeholders to be contacted and their views sought.
 - Steps to raise awareness of consultation among those who are likely to be interested will be taken e.g. by publicising consultations before the launch-date so that consultees can take advantage of the full consultation period to prepare responses
 - When dealing with emergency measures, or, legally-binding deadlines, or when the consultation needs to fit into fixed timetables such as the Budget cycle, consideration is given to which consultation method/s is the best way of seeking

² R v London Borough of Brent ex parte Gunning [1985] 84 LGR 168
See also Moseley, R v London Borough of Haringey [2014] UKSC 56 (29 October 2014)

views. Timetables may be shortened but reasons must be given and additional means for people to express their opinion must be given.

- Consultation exercises will not normally be launched during local or national purdah election periods.

The following table illustrates the type and length of consultation needed, according to the type and impact of proposals. This is not an exhaustive or definitive list, but is instead a guide for those planning consultation.

9.

10. Length	11. Example of Proposal	12. Type of Consultation 13.
14. No consultation	15. Internal policy which would have no impact on the public.	16. None.
17. Variable	18. Internal policy which would potentially impact on employees.	19. All employment policies are developed with the involvement of the Employee Group, Trade Union representatives, and the Joint Consultative Group. 20. Statutory consultation periods adhered to where applicable.
21. 2 weeks	22. Change to an external policy which will have no impact on the public.	23. Low level – information is available digitally with limited avenues for feedback.
24. 2 - 6 weeks	25. Minor to more significant restructure of resources, where a specific local area may be perceived to be adversely affected.	26. Typically, most policy changes and other proposals will merit a four week consultation period
27. 6 - 12 weeks or over	28. Very significant restructure of resources, or the provision of new services, where a specific local area or protected group might be very negatively impacted and/or the public may perceive as a fundamental change to the service they receive.	29. A tailored, detailed approach to consultation using a range of methods to engage different audiences, highlighting the key people and communities needed to engage with and developing the consultation to suit the specific stakeholders identified. 30. Developing a variety of ways for people to contribute in ways that best suit them. 31. Typically six or eight weeks

4. Responses must be conscientiously taken into account
 - Derbyshire Dales District Council will make the final decision over matters we have engaged people in, taking into consideration the feedback gained
 - Results will be made available to stakeholders, normally through publication on our [website](#)
 - The outcomes from the consultation will also be published on our [website](#) and via a press release.

Consultation Methods

The District Council uses a range of consultation methods and selects the most appropriate to use for each consultation process. Information on all aspects of [consultation](#) at the council can be found on our website.

Method	Channels	Council Consultation Tools
Self-completion surveys	Post, Text messaging	Social media, online Panel
Telephone interviewing	Telephone interviewer	Computer-aided
Face-to-face surveys or interviews	Door knocking, on the street focus groups, sounding boards	Citizens' panel/jury, service user panels, workshops
Feedback forms, comment boxes or show of hands	Open days or drop-in events Consultation days, exhibitions and roadshows	Community forums Public meetings
Online venues	Chat rooms	Online forums or discussion groups
Posters, postcards and leaflets	Distributed among community via public sector services	In communications from the Council
Forums	Business forums	Online and face to face

The [Derbyshire Dales Online Panel](#) is one of the key ways in which we listen to the residents of the Derbyshire Dales. The Panel enables the District Council to monitor what residents think of the services we provide and ask what issues are most important locally. We then use this information to help make important decisions. The panel is drawn from local people who registered an interest in taking part – over 700 people have already joined. The surveys are short and quick to complete with each member receiving up to six online questionnaires on a range of topics each year.

Current consultations can be found on our website [here](#). The results of closed consultations can also be found [on our website](#).

The Consultation Plan

- The Strategy is expressed via an [Equality, Consultation and Engagement Plan 2020 – 2022](#) and can be viewed by the public on our website. The Plan 2020 – 2022, sets

out those service areas and policy areas that the District Council anticipate undertaking externally facing consultation and engagement over the course of a specific period. The current plan provides an update on the progress of each action to March 2021.

Being aware of the impact of changing services/policies on different groups of individuals is often crucial in shaping the scope and shape of public consultation, therefore the potential need to produce an Equality Impact Assessment (EIA) is also identified in this plan.

Progress with achieving this action plan is reported annually to Council. Completed EIAs are published on our [website](#)

Monitoring and Review

Adherence to the Consultation and Engagement Strategy and Plan are monitored by the Corporate Leadership Team (Heads of Service and the Chief Executive) and reported to Members. The strategy, plan and further information on consultations are available to the public via the Council's [website](#).

10. Further Information

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Report of the Chief Executive

DETAIL OF A PROPOSED ‘BRIGHT IDEAS’ SCHEME

PURPOSE OF REPORT

Joint Consultative Group, on 25 March 2021, recommended that Governance and Resources Committee approve the detail of the ‘Bright Ideas’ scheme (a part of the Reward and Recognition Policy approved in January 2020).

RECOMMENDATION

That the detail of the proposed ‘Bright Ideas’ scheme be approved.

WARDS AFFECTED

All

STRATEGIC LINK

Every plan, strategy policy and action of the District Council 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 BACKGROUND

- 1.1 In January 2020, Governance and Resources Committee approved the Reward and Recognition Policy. A ‘Bright Ideas’ Scheme was included in the policy at 3.4.4.
- 1.2 At 3.4.4., the scheme is described as: ‘Bright Ideas’ recognition scheme for transformation or efficiency saving in a team other than the employee’s own team (as improvements in your own area of work should be part of normal work activity). The idea would be submitted on a business case to CLT (Corporate Leadership Team) who would determine if the transformation or efficiency is put into place. CLT would determine if an award is made irrespective of whether the idea is put into practise or not with details of the idea in Paul’s Post, SIDD and Staff Matters in order to recognise the employee and encourage other ideas.
- 1.3 After the Reward and Recognition Policy was approved, Employee Group was asked to design the detail of how the ‘Bright Ideas’ Scheme would operate. Joint Consultative

Group has been advised of their progress in seeing the notes of the Employee Group meetings.

1.4 At their meeting on 27 January 2021, Employee Group agreed a final draft of the design. It was accepted by Corporate Leadership Team on 2 March.

1.5 Joint Consultative Group was consulted on 25 March 2021 and resolved that Governance and Resources Committee be recommended to approve the design of the scheme.

2 REPORT

2.1 The 'Bright Ideas' Scheme gives recognition for ideas from staff which lead to efficiency or transformation where the District Council can reasonably expect will result in a financial benefit. The improvement suggestion must be outside the employee's immediate team/work area for any recognition payment to be tax free. The idea must also be outside the employee's own work area as it is part of every employee role to raise improvement ideas in their own area of work.

2.2 The Aims of the 'Bright Ideas' Scheme are to

- Encourage and promote excellence amongst staff
- Recognise and praise staff whose ideas provide transformation in working practices or efficiency in terms of staff time or financial savings, or create income generation
- Celebrate staff achievement
- Inspire others and support motivation, engagement and productivity.

2.3 The objectives of the 'Bright Ideas' Scheme are to

- Support the One Team, One Council, One Purpose ethos by enabling joint working between teams when developing and implementing the improvement idea
- Expand on the 'positive supportive culture' identified by the Corporate Peer Challenge
- Enable sharing of innovative ideas council wide and improvements in communications between departments
- Empower not only the individual/s with the idea but the team where the transformation or efficiency saving is suggested
- Have a suggestion scheme which aligns with the implementation of the Reward and Recognition Policy.

2.4 The 'Bright Ideas' scheme would operate in 6 steps

- Step 1
The employee (or a group of employees) would come up with a 'Bright Idea' for transformation or efficiency in another team than their own, another service or council

wide which could lead to a financial benefit to the District Council. Their idea must be raised independently of any meeting to propose ideas e.g. the work of a task team.

- Step 2
The employee/s would discuss their idea with the team manager of the area in which the transformation or efficiency is proposed. The team manager can confirm if the idea has already been proposed/ is in progress or if it has been considered and discounted, with reasons why. The team manager can confirm the possible budget savings or implementation costs. The team manager can confirm their support, or not, for the 'Bright Idea'.
- Step 3
The employee/s can then develop their idea and information gathered from the team manager into a business case to Corporate Leadership Team. The business case will include if the team manager supports the idea, or not. Employees will be given support to write their business case by their own line manager, another member of Senior Management Team or Human Resources.
- Step 4
Corporate Leadership Team will consider the business case, its improvement in efficiency and any financial benefit to the District Council and determine if the idea is to be implemented, or not. The decision will be recorded in the minutes of Corporate Leadership Team to provide the audit trail.
- Step 5
Irrespective of whether the idea is implemented or not, Corporate Leadership Team will determine if a financial award is to be made to the employee/s bringing the business case. Financial awards are subject to HMRC rules on staff suggestion schemes (below). If the idea is brought by more than one employee, the award amount can be divided between the employees bringing the business case to Corporate Leadership Team.
- Step 6
The idea and Corporate Leadership Teams decision on whether or not it will be implemented, will be recognised in Paul's Post, on SIDD and in Staff Matters. This will not only recognise the employee/s who brought forward the idea, but will hopefully encourage and inspire other employees to bring forward other ideas for improvements in efficiency or transformation.

2.5 HMRC rules for payments in staff suggestion schemes are noted in section 321 ITEPA 2003 HMRC Employment Income Manual. It states that for payments to be non-taxable they must

- be open to all employees
- include a suggestion that must relate to the employer's business
- include a suggestion that is not made as part of the employee's normal work
- include a suggestion that hasn't been made at a meeting for proposing new ideas
- relate to an improvement in efficiency or effectiveness which the employer reasonably expects will result in a financial benefit.

2.6 HMRC guidance continues that for the payment to be tax free, the maximum for a financial benefit award is the greater of:

- half the financial benefit that the employer reasonably expects will result from the adoption of the suggestion in the first year after its adoption, or
- one tenth of the financial benefit that the employer reasonably expects to result from its adoption in the first five years after its adoption,

With an overriding maximum of £5,000.

2.7 With HMRC rules in mind, Corporate Leadership Team agreed with Employee Group’s proposal to have 3 levels of award; at Team, Service and Corporate level with an overriding maximum of £1,000. Corporate Leadership Team would determine if an award is to be paid and at which level.

Impact of Suggestion	Award / Amount to employee	<u>Minimum saving</u> to warrant a tax free reward in one off saving	<u>Minimum saving</u> to warrant a tax free reward if savings over 5 years
Team	£250	£500	£2,500
Service	£500	£1,000	£5,000
Council wide	£1,000	£2,000	£10,000

3

4 RISK ASSESSMENT

Legal

4.1 There are no legal implications associated with the recommendation and so the legal risk is assessed as low.

4.2 Financial

4.3 As stated in the report, one of the pre-requisites for a successful ‘Bright Idea’ is that it relates to an improvement in efficiency or effectiveness which the employer reasonably expects will result in a financial benefit. The suggested award payments will be offset

by future savings. Any ongoing savings will be taken into account when setting future budgets. The financial risk is assessed as low.

5 OTHER CONSIDERATIONS

- 5.1 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.

6 CONTACT INFORMATION

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7 BACKGROUND PAPERS

None

8

GOVERNANCE & RESOURCES COMMITTEE
1 July 2021

Report of the Chief Executive

FLEXIBLE WORKING POLICY

PURPOSE OF REPORT

Joint Consultative Group on 25 March 2021, recommended that Governance and Resources Committee adopt the proposed Flexible Working Policy as a new employment policy replacing the existing guidance in forms and sample letters.

RECOMMENDATION

The Flexible Working Policy be adopted.

WARDS AFFECTED

All

STRATEGIC LINK

Every plan, strategy policy and action of the District Council 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 BACKGROUND

- 1.1 The District Council has had a Flexible Working process since approximately 2014 when the right to request flexible working was established via the Flexible Working Regulations 2014. At that time the regulations established the right for employees with more than 26 weeks service and where they had caring responsibilities, to make such requests and that the employer had a responsibility to reasonably consider the request. The regulations were later expanded so that all employees had this right

irrespective of having caring responsibilities, providing that they held more than 26 weeks service with their employer.

- 1.2 Without wishing to confuse, in January 2021 Governance and Resources Committee approved an Agile Working Policy. This report concerns the introduction of a Flexible Working Policy.
- 1.3 Whilst these two policies may initially feel similar, they are in fact very different. The approved Agile Working Policy is a District Council Policy about varying the location of work, on a temporary non contractual agreement. Flexible Working is about the employee's statutory right to ask for a permanent contractual change regarding number of hours and pattern of work which could have a permanent effect on the establishment/ service delivery.
- 1.4 The Flexible Working Regulations, which underpin the draft policy state that employees have a statutory right to request flexible working once a year and that managers have to formally consider such requests and do so within strict time limits.

2 REPORT

- 2.1 The District Council has long considered Flexible Working Requests. Requests for flexible working can include contractual changes to number of working hours, the place of work or the pattern of work (including annualised hours, compressed hours, term time only working, or job sharing). If approved, a new contract is issued confirming the change and any impact on other terms and conditions for example holiday entitlement where there is a reduction in the number of contractual hours. Applications are for a permanent change in the contract, although a change of contract on a fixed term can also be considered.
- 2.2 Since May 2018, we have had 17 requests for flexible working. 9 have been approved (one on a temporary basis) and 6 rejected with two more rejected but with an invitation to reapply in 6 months when operational circumstances may have changed. Requests have been to reduce working hours (9), change from seasonal to fixed hours working (3), to change the pattern of work whilst retaining hours (2), change work pattern and reduce hours (1) and to request home working pattern (2).
- 2.3 The old SIDD had numerous forms and draft letters for managers to acknowledge receipt of and then either accept or reject applications. When the old SIDD was switched off and all Human Resources policies had to be updated for accessibility we determined that the Flexible Working Forms were no longer fit for purpose. In reality we have, for some time, been advising staff to simply write to their managers with their requests.
- 2.4 In consulting on the Agile Working Policy we referred to a 'Flexible Working Policy' for permanent contract changes and determined that the 'policy' statements included

in the range of Flexible Working Forms needed to be written into one policy statement.

- 2.5 The draft Flexible Working Policy includes a policy statement together with guidance notes describing a simplified process and removing the need for all of the complex forms.
- 2.6 The draft Flexible Working Policy is supported by Corporate Leadership Team and agreed at Employee Group. It has been circulated to all staff and recognised trade unions for consultation and discussion at Joint Consultative Group.
- 2.7 Joint Consultative Group on 25 March 2021 resolved that Governance and Resources Committee be recommended to adopt the proposed Flexible Working Policy.
- 2.8 In line with other Human Resources Policies, once the draft policy and guidance notes are approved, changes to the policy statement will require approval at Committee, whilst Corporate Leadership Team can approve changes to the guidance notes.

3 ASSESSMENT

3.1 Legal

- 3.1 There are no legal implications arising from this report and the legal risk is assessed as low.

3.2 Financial

- 3.2 The financial implications of any changes that arise from a request for flexible working will be taken into account when considering each request. At this stage, the financial risk is assessed as low.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

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6 APPENDIX

Proposed Flexible Working Policy and Guidance Notes

7 BACKGROUND PAPERS

Flexible Working Policy Equality Impact Assessment



FLEXIBLE WORKING POLICY & GUIDANCE NOTES 2021

Document version	Date
Consultation at Joint Consultative Group	25 March 2021
For approval at Governance & Resources Committee	13 May 2021
Date for Review	January 2024



Flexible Working Policy 2021

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Guidance notes



Flexible Working Policy 2021

1. Policy Statement

- 1.1 The District Council understands that employees have a statutory right to apply for flexible working and that a good balance between work and home can improve employee motivation, recruitment, retention, performance and improve well-being.
- 1.2 The District Council seeks to support its employees to achieve a good balance between work and their other demands such as caring responsibilities, leisure activities, further learning and interests.
- 1.3 The District Council is committed to considering any flexible working requests but accepts that the needs for service delivery, efficiency and effectiveness is paramount when considering applications. Indeed the legislation lists business reasons where a request can be refused.
- 1.4 This policy is under pinned by the Flexible Working Regulations 2014, every employee has the right to formally request to work flexibly after 26 weeks of employment service. An employee can make one statutory request, once in any 12 month period. Employers must deal with requests in a 'reasonable manner'.
- 1.5 If approved, a flexible working request is a permanent change to the contract of employment. Where a non-contractual change to work location is sought, the employee should apply under the Agile Working Policy.
- 1.6 Employees seeking flexible working will write to their manager with a copy to the Human Resources Manager.
- 1.7 Where a manager is to consider a request for flexible working, they will seek guidance from Human Resources to ensure statutory requirements are met. An assigned Human Resource representative will be present at all meetings to ensure that support and guidance is available to managers and employees and to ensure that consideration has been given to the impact on the service. As a result Human Resources must be made aware of any flexible working request that is made, immediately it is received. Each application will be considered in relation to the employee's role and also in relation to the current and future service needs of the District Council at the time of the request.

2. Scope

This policy applied to all employees.

3. Equality & Diversity

All flexible working requests will be managed fairly, promote equality of opportunity and be free from victimisation and discrimination, direct or indirect.

4. Manager Responsibilities

- 4.1 Managers are responsible for ensuring that any request is dealt with in accordance with the guidance notes, and is free from discrimination and victimisation.
- 4.2 As soon as a request is received, the manager is required to contact Human Resources to gain further advice and guidance to ensure that the request is dealt with efficiently and within the prescribed timescales.
- 4.3 Managers shall consult their Director before approval is confirmed. This is so that the manager is able to demonstrate that full consideration has been given to service needs.

5. Employee Responsibilities

- 5.1 Employees are required to follow the guidance notes and submit a written application for flexible working to their manager. Verbal requests will not be considered to be a form of formal request under the guidance notes.
- 5.2 Employees must consider service need and potential impact on their team when developing their application.

6. Human Resource Responsibilities

- 6.1 To keep the policy and guidance notes under review and make suggestions for improvement in line with changes in legislation, best practise and learning from implementing the policy.
- 6.2 Advise managers and employees on the fair and consistent implementation of the policy and guidance notes.
- 6.3 Review applications to ensure fairness and consistency of application but also be aware that prior employee approvals do not lead to the setting of precedent because this can have a negative effect on service provision.

7. Relevant Legislation and Human Resources Policies

- Agile Working Policy
- Data Protection Act & GDPR effective April 2018
- Employment Rights Act 1996
- Equality Act 2010
- Equality Policy
- Flexible Working Regulations 2014
- Flexitime and TOIL scheme
- Health & Safety at Work Act 1974
- Leave Policy
- Lone Working Policy
- Management of Sickness Absence Policy
- Performance & Development Review process



Flexible Working Policy Guidance Notes

These Guidance Notes have been written to help to explain how the District Council deals with an employee's right to request flexible working and describes how requests shall be dealt with. The guidance notes may be changed with approval of Corporate Leadership Team, dependent on best practice and learning from implementing the policy.

Flexible Working Guidance Notes

This Guidance contains information on the following areas:

1. What is flexible working?
 2. Eligibility
 3. How to request flexible working
 4. How to respond to requests for flexible working
 5. Considering the request
 6. Withdrawing an application
 7. Right to appeal
 8. Trialling new working arrangements
 9. Varying an Employee's contract
 10. Complaints
- Appendix A – Flowchart detailing the right to request flexible working
Appendix B – The different types of flexible working

1. What is flexible working?

- 1.1 Flexible working is a request that seeks to change the terms of the employment contract. Requests for flexible working can include contractual changes to number of working hours, the place of work or the pattern of work (including annualised hours, compressed hours, term time only working, or job sharing). If approved, a new contract is issued confirming the change and any impact on other terms and conditions for example holiday entitlement where there is a reduction in the number of contractual hours. Applications are for a permanent change in the contract, although a change of contract on a fixed term can also be considered.
- 1.2 The flexible working arrangements detailed in Appendix B, are considered to be typical arrangements that employees may request. The District Council recognises that there may be alternatives or a combination of options which are suitable to both the District Council and the employee.

2. Eligibility

- 2.1 An employee with at least 26 weeks of employment with the District Council has a statutory right to request flexible working. An employee can make only a statutory request once in any 12 month period.

3. How to request flexible working

- 3.1 A request from an employee under the Flexible Working Regulations 2014, must be in writing and must include the following:
- The date of their application.
 - The change to contractual working conditions they are seeking
 - When they would like the change to come into effect
 - What effect, if any, they think the requested change would have on the District Council as an employer and its service provision
 - How, in their opinion, any such effect might be dealt with
 - A statement that this is a statutory request and if and when they have made a previous application for flexible working
 - The dates of previous applications.

NB: If the Employee is making the request in relation to the Equality Act as a 'reasonable adjustment' relating to a disability, this must be made clear in the application.

4. How to respond to requests for flexible working

- 4.1 Once the team manager/supervisor (Grade 7 or above) has received a written request, they must first contact the Human Resources for advice on how to deal with the request.
- 4.2 Human Resources will arrange a meeting between the manager and employee as soon as possible after receiving the written request and within 28 days.
- 4.3 The time limit may be extended with the agreement of the employee.

See Appendix B of this guidance.

5. Considering the request

- 5.1 The manager, in conjunction with Human Resources, will consider the request carefully. They will look at the benefits of the requested changes in contractual working conditions for the employee and the District Council and weigh these against any adverse business impact of implementing the changes.
- 5.2 Human Resources will ensure each application is considered on its particular grounds. Managers and employees should know that just because one application in a team or service has been approved that similar applications would also be approved, dependent on service need. Each application will be reviewed in relation to the employee's role, any impact on the team and also in relation to the current and future service needs of the District Council at the time of the request.
- 5.3 Once the decision has been made, the manager will inform the employee as soon as possible. If the manager accepts the employee's request, or accepts it with modifications, they will discuss with the employee how and when the changes might best be implemented. This should be followed up in writing by Human Resources, so as to help avoid any future confusion or misunderstanding about the decision.
- 5.4 Each request will be considered on a case by case basis. The District Council will consider that in agreeing to one request, it will not set a precedent or create the right for another employee to be granted a similar change to their working pattern as this may not be possible due to service need.
- 5.5 If the request for flexible working is refused, it will be confirmed in writing and the refusal must be for one of the following business reasons as set out in the Regulations:
- Extra costs that will damage the business
 - The work cannot be reorganised among other staff
 - People cannot be recruited to do the work
 - Flexible working will affect quality and performance
 - The service will not be able to meet customer demand
 - There's a lack of work to do during the proposed working times
 - The service is planning changes to the workforce
- 5.6 The law requires that all requests, including any appeals, must be considered and decided on within a period of three months from first receipt.
- 5.7 The request may be granted in full, in part, or refused. The manager may propose a modified version of the request; the request may be granted on a fixed term or permanent basis. The employee may be asked to trial the flexible working arrangement for a defined period.
- 5.8 If the request is agreed, the employee will be sent a confirmation letter which will include details of the new arrangements and contractual change. A

revised Statement of Terms and Conditions will be issued to confirm the agreed change and its impact on any other terms and condition of employment e.g. a corresponding change to annual leave entitlement where there is a permanent reduction in contractual hours of work.

6. Withdrawing an application

- 6.1 Employees should tell their Manager in writing if they want to withdraw their application.
- 6.2 The District Council can treat an application as withdrawn if the employee misses 2 meetings to discuss an application or appeal without good reason e.g. if the applicant is sick.
- 6.3 The manager must tell the employee that they are treating the request as withdrawn in writing.

7. Right to Appeal

- 7.1 The employee has the right to appeal the decision if their request is refused or is only agreed in part.
- 7.2 The employee must lodge an appeal within 14 days of being notified of a decision on their application. They must write to their manager outlining the grounds of their appeal.
- 7.3 The appeal will be heard within 14 days by the next higher Manager e.g. the Director and a Human Resources representative who has not been involved in the application decision.
- 7.4 The employee will then be informed of the outcome of their appeal, in writing, within 14 days of the appeal meeting. The Director's decision is final.
- 7.5 These time limits may be extended with the agreement of both the manager and employee.

8. Trialling new working arrangements

- 8.1 Where there is some uncertainty about whether the flexible working arrangement is practicable for the District Council and/or the employee, a trial period may be agreed. This is usually for a period of 4 weeks, but may be extended up to three months if both the District Council and the employee agree.

- 8.2 Where a trial period has been agreed, Human Resources will write to the employee with details their trial working pattern and the terms of the trial period and make it clear that it is only a temporary variation to the terms of the employee's contract.
- 8.3 The employee will be informed in writing of the start and end dates of the trial period.
- 8.4 At the end of the trial, the manager and the employee, together with Human Resources will meet to discuss the outcome of the trial.
- 8.5 The manager will determine if the working arrangements can become permanent or if the employee is required to revert to their contractual working arrangement. This decision will be confirmed in writing. If the arrangements are made permanent a revised Statement of Terms and Conditions of employment will be provided.

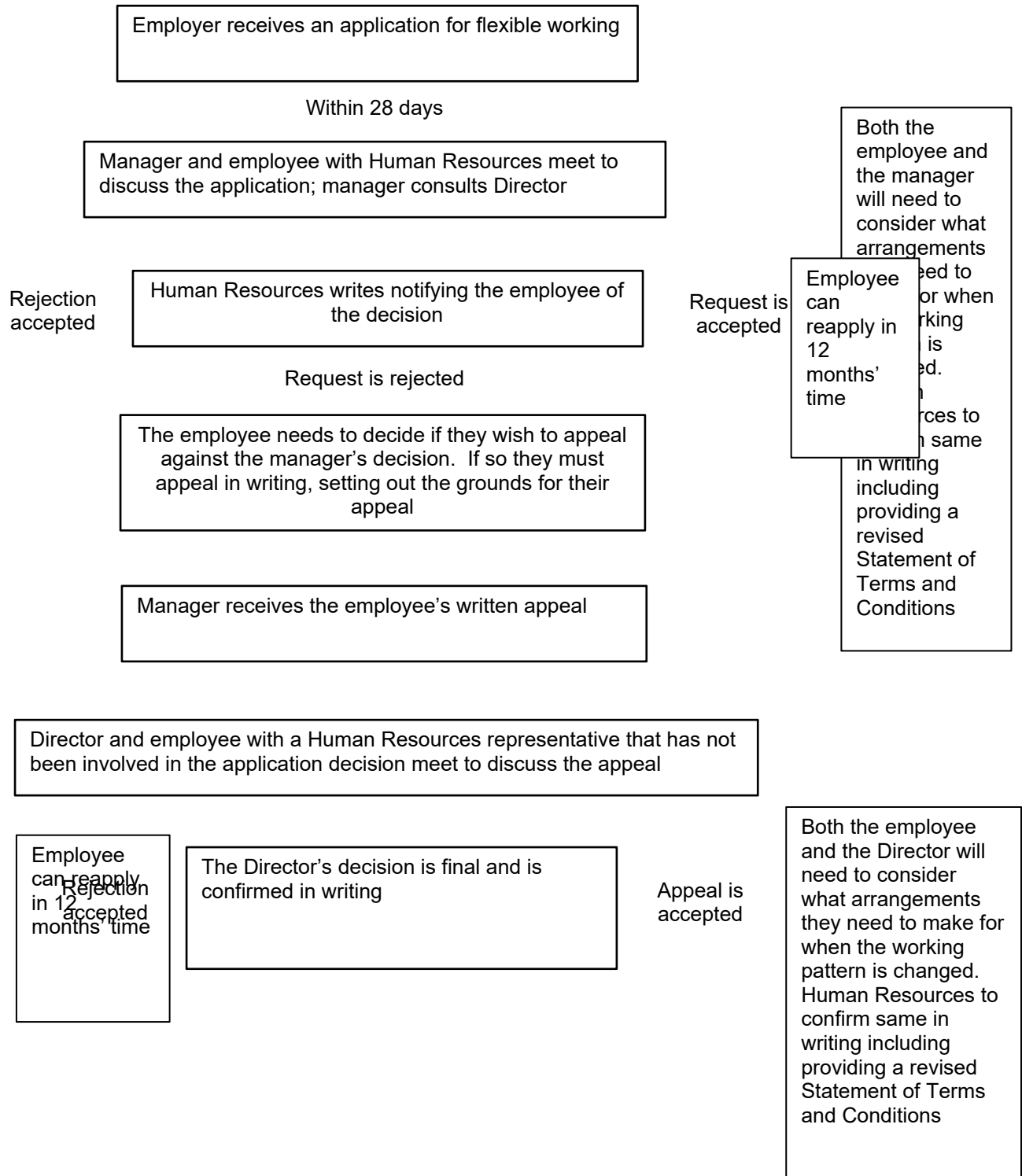
9. Varying an employee's contract

- 9.1 Where flexible working practices are agreed as a permanent contractual change, a variation will need to be made to the employee's contract of employment.
- 9.2 A revised Statement of Terms and Conditions of employment will be provided to the employee within 28 days of the agreed flexible working request.
- 9.3 If the Employee has any questions or concerns relating to the new contract of employment, they should contact Human Resources to discuss the matter further.

10. Complaints

- 10.1 The District Council supports the right of all employees to request flexible ways of working and it strongly opposes any form of discrimination or victimisation of employees who request to be considered for this under the statutory procedures.
- 10.2 If an employee feels that they have been treated unfairly or are dissatisfied with any stage of the flexible working process, they should raise their concerns informally with Human Resources.
- 10.3 If informal discussions do not resolve the matter to an employee's satisfaction, they should raise a Grievance under the District Council's Grievance procedure.

Flowchart of Flexible Working Process



Appendix B

EXAMPLES OF FLEXIBLE WORKING, SUBJECT TO OPERATIONAL NEED

Annualised hours

Where an employee's contractual working hours are calculated as the total number of hours to be worked over the year, allowing flexible working patterns to be worked throughout the year or seasonal variations to meet peaks in workload e.g. financial year end or elections.

Usually the hours will be divided into rostered hours, which are set, unallocated hours, when an employee can be called into work as demand dictates (and to cover unplanned work and employee absence). An annualised hours' time sheet will record hours worked, each week against an accumulative target which must be attained at each year end.

Payment will be in 12 equal instalments and reconciled against hours actually worked if the employee leaves or when the annualised hours end.

Compressed hours

This is where an employee works their usual full time hours in fewer days by working longer blocks meaning that there is no reduction in their pay. For example, a five-day week is compressed into four days, or a 10 day fortnight into nine days.

Homeworking

This is when an Employee regularly carries out all or part of their duties from home rather than an employer's premises on a permanent basis.

See refer to the Agile Working Policy for more information on how to apply to work from an alternative place of work on a temporary agreement.

Job sharing

Job Sharing is an arrangement when a post is divided into two part time roles. The two job holders then share the overall duties and responsibilities (*NB a job share is not the same as a job split.*) Their skills and the hours each employee wishes to work must be compatible and meet the needs of the District Council. The size of each post must be viable and able to be recruited.

Pay and benefits are shared in proportion to the hours each employ works.

For full guidance, please refer to the Job Share Scheme.

Part time working

Part time working covers any arrangement where an employee is contracted to work less than 37 hours a week. If the manager requests, extra hours are to be worked over the contract hours, pay is at plain time up to 37 hours and overtime rate is over 37 hours per week where the employee is grade 7 or under (overtime is not payable to grade 8 and above).

Term time working

Term time working is where an employee reduces their hours and takes time off during any school holidays. Any weeks above their term time entitlement will be unpaid. Salary will be paid in 12 equal monthly instalments.

GOVERNANCE & REOSURCES COMMITTEE
1 JULY 2021

Report of the Director of Regulatory Services

ASSET MANAGEMENT PLAN – LAND HOLDINGS REVIEW PHASE 1 – THORPE PUBLIC CONVENIENCES AND ADJOINING LAND

PURPOSE OF REPORT

This report updates Members in relation to a site that was discussed at the previous meeting of the Governance and Resources Committee on 11 March 2021 and for which further information was requested.

RECOMMENDATION

That the site be declared surplus to requirements and offered for sale by public auction on the terms outlined in Appendix 1 to this report.

WARDS AFFECTED

Dovedale and Parwich

STRATEGIC LINK

Every plan, strategy policy, and action of the District Councils flows from the Corporate Plan. The Corporate Plan is put into effect by service plans, policies and strategies including the Asset Management Plan which ensures that the District Council's land and property assets are managed in support of corporate priorities.

1 BACKGROUND

- 1.1 The Asset Management Plan (AMP) 2019-2023 is intended to set out the Council's strategic approach to the management of its land and property and to provide a framework within which property asset decisions can be made, in support of the Council's corporate aims and objectives.
- 1.2 The AMP recommends that unused or surplus buildings and land be reviewed to establish whether they should be sold or whether they could contribute to the Council's key objectives of economic development and/or affordable housing.

2 REPORT

- 2.1 At its meeting on 11 March the Committee considered 6 sites owned by the Council, of which Thorpe Public Conveniences and adjoining land was one.

At the meeting Members asked that officers consider whether this site was suitable for alternative purposes, such as for use as a Traveller site. Members also asked whether the site lay within the boundaries of the Peak District National Park.

- 2.2 Since that meeting officers have looked at the site in further detail. In particular they have considered whether the site lies within the Peak District National Park and to what extent the site might conform with Local Plan policies that relate to Traveller sites.
- 2.3 The first issue that can be confirmed is that the site does lie within the National Park. This is relevant in relation to Traveller sites in that the Peak Park's Core Strategy does not identify a need to develop Traveller sites within its boundaries. It does state that the Authority retains an approach which accepts that exceptional circumstances might justify small scale provision. This is unlikely to exceed 1 or 2 pitches. Planning permission will not be permanent, and need for a site will be kept under review.
- 2.4 Peak Park's Policy HC3 states that Gypsy, Traveller or travelling showpeople's caravan or mobile home sites may be permitted only where there are exceptional circumstances of proven need for a small site that can be met without compromising national park purposes.
- 2.5 In the absence of any more detailed policies within the Peak Park's Core Strategy, the site has been assessed against the criteria set out in policy HC6 in the District Council's own Local Plan, as these are considered to provide a good guide as to whether or not a site might be considered to be suitable.
- 2.6 The first point to make in this respect is that the site is not large enough to meet the need identified within Derbyshire Dales. It is estimated to measure 0.08 Ha in area. In searching for a site the minimum area to be considered has been 0.1 Ha, which is why this site has not been included in previous searches. The site is also immediately adjacent to 3 properties and, as such, would be considered to impact on neighbouring residential amenity. The lack of space on site would mean that even if all the trailers could be accommodated on site there would be no room for the towing vehicles, which would be likely to be parked on the road immediately outside the site. Development of the site would be likely to impact to some degree on landscape and the site is not considered to be likely to provide sufficient privacy to any Travellers who might occupy it. As such officers consider that the site does not meet policy HC6 and would be unlikely to gain planning permission, if it was within the Derbyshire Dales Planning area.
- 2.7 However, to a large degree this is immaterial, as the site is not large enough to meet the identified need for a Traveller site.
- 2.8 Having made this assessment and further considered the site, officers are still of the opinion that it is surplus to requirements and should be offered for sale by public auction.

3 RISK ASSESSMENT

3.1 Legal

Title to the property will need to be checked to ensure that there are no matters preventing the disposal. On each disposal the following matters will need to be checked prior to the disposition:

- a) if the property is open space land;
- b) the value of the disposal will need to be checked to ensure that it is the best that can be reasonably obtained;
- c) is the property an asset of community value?;
- d) what is the property used (appropriated) for? Is the land common or allotment land?

Following review, the appropriate steps will be completed to ensure that the correct disposal procedures are followed.

3.2 Financial

The District Council's legal and surveyors' costs in respect of the disposal of the site will be met either directly or by way of a buyer's premium.

The income arising from the disposal recommended in this report will be treated as a capital receipt if the auction proceeds amount to £10,000 or more. Capital Receipts may be used to fund future capital projects. If the auction proceeds are less than £10,000 they will be credited to the Revenue Account.

As well as bringing in some income, these disposals remove a liability for future maintenance.

The financial risk is assessed as low.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

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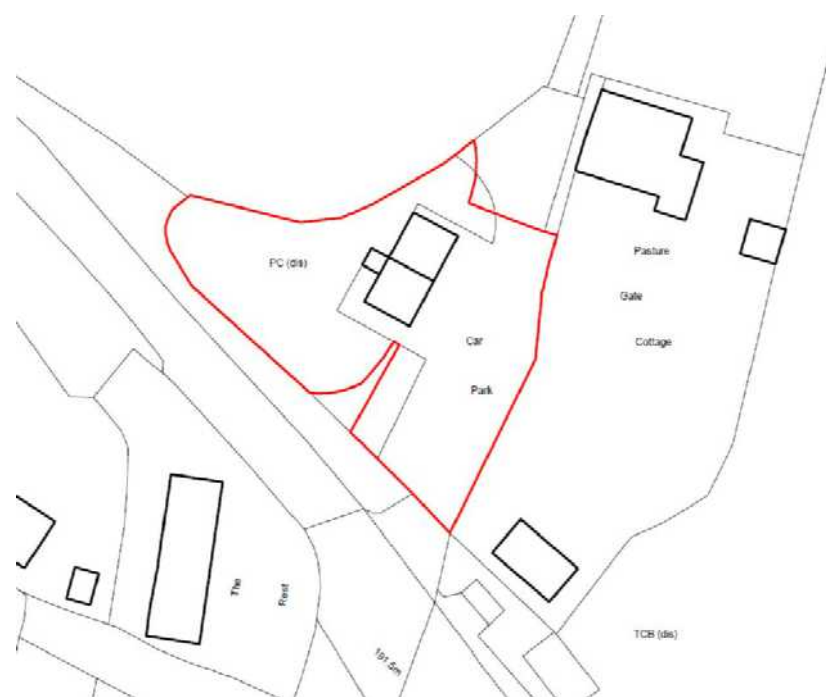
6 BACKGROUND PAPERS

- 6.1 None

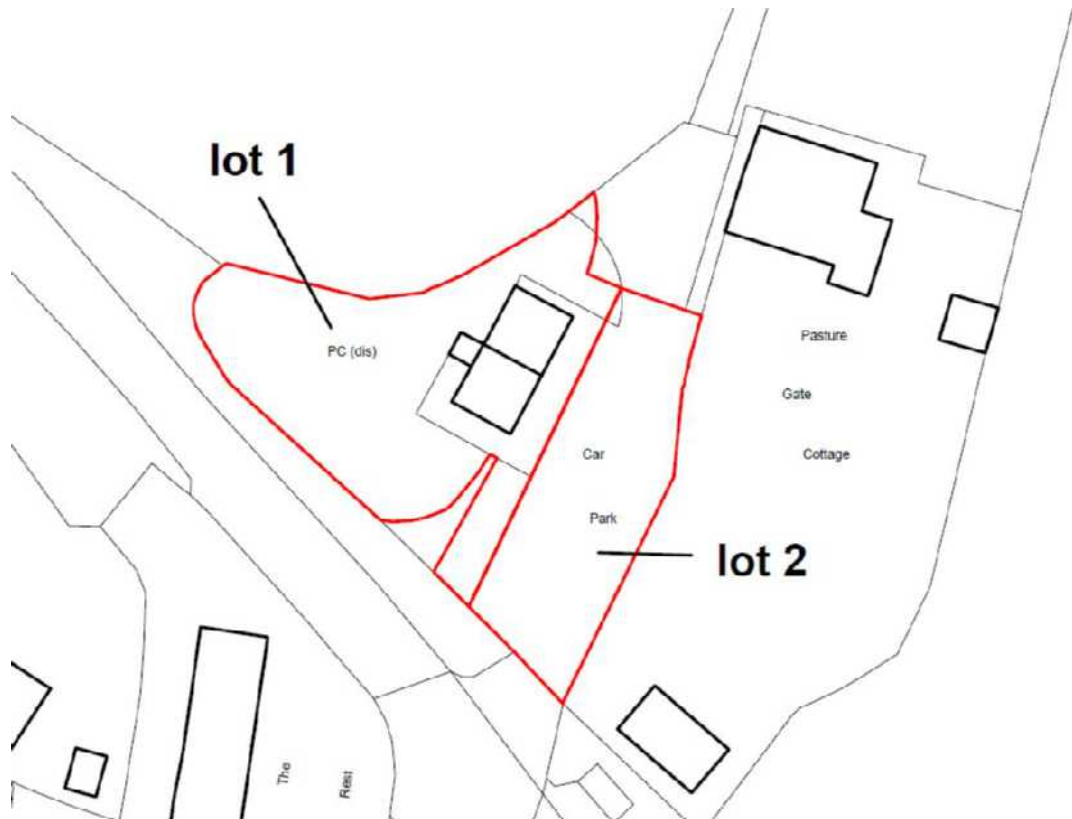
7 ATTACHMENTS

- 7.1 None

Appendix 1: Ex Public Conveniences at Thorpe, Thorpe, Ashbourne



Title boundary



Suggested Auction Lots

LAND HOLDINGS REVIEW

SITE NO. 3

ADDRESS	Land and Ex-public conveniences, Ilam Road Ilam Lane, Thorpe, Ashbourne DE6 2AW Reference A/00199, A/01286, A/00218, A/00219
REQUEST RECEIVED	Estates request that this property be put to auction in 2 lots. The property is surplus to operational requirements.
DESCRIPTION/LOCATION	The property is located in the conservation area of the village of Thorpe. The adjoining land previously used as a car park free but is surplus to requirements.. The land has various accesses to fields to the rear.
OWNERSHIP	Freehold owned by Derbyshire Dales District Council under titles DY421495 and DY489230.
LEGAL COVENANTS RESTRICTIONS	TBC
PLANNING	This site is under the control of Peak District National Park Authority (PDNPA). Pre-application advice has been obtained on the public conveniences and it was suggested suitable for conversion for either a business or community use of appropriate scale. In regards to housing they would not consider it as a building suitable for conversion to an open market dwelling but it is within a named settlement so could be considered appropriate for local needs housing. The adjoining car park was seen as being problematic for residential use. The advice provided by PDNPA is not binding.
MAINTENANCE	TBC (there are holding costs for water and electricity as well as general maintenance liabilities, there is no potential revenue source)
HEALTH & SAFETY/RISKS	TBC
OFFICER COMMENT	This site is currently not used and does not

	<p>have an obvious operational use without considerable redevelopment and capital expenditure. DDDC Housing have advised that as only one unit is likely to be possible it is not a viable site for providing affordable housing. It could be repurposed as an investment in a small business use (holiday let, seasonal café or office facility) but this would require considerable officer time and capital expenditure to bring it to fruition with limited return.</p> <p>There have been several parties expressing interest in purchasing the public conveniences and it is considered that putting it to auction is likely to provide all parties with the opportunity to acquire and would be the best way of maximising the sale price. There are also complications with unknown rights of way to the rear and auction overcomes this issue as it can be noted in the sale contract.</p> <p>The Parish Council have previously turned down a Community Asset Transfer to use the property as a public convenience and have expressed concerns about not being able to use it in the future for holding the Dove Dale Dash – a popular local event.</p> <p>The upcoming regulation in relation to ‘Right to Regenerate’ could result in the site being sold by default unless the Council has a compelling reason to retain.</p>
RECOMMENDATION	<p>The site to be entered into an auction as two Lots (as indicated in the plan) with a reserve for each lot to be set by the Estates Manager in consultation with the auctioneer depending on interest generated with a buyers’ premium of 3% to apply.</p> <p>Other terms to be determined by the Estates Manager.</p>

Governance and Resources Committee

1st July 2021

Report of Director of Resources

INTERNAL AUDIT ANNUAL REPORT 2020/2021

PURPOSE OF REPORT

The purpose of this report is to:

- Present a summary of the internal work undertaken during 2020/2021 from which the opinion on the internal control environment is derived;
- Provide an opinion on the overall adequacy and effectiveness of the Council's control environment including any qualifications to that opinion;
- Draw attention to any issues that require inclusion in the Annual Governance Statement;
- Present the results of the performance indicators for internal audit;
- Comment on compliance with the Public Sector Internal Audit Standards (PSIAS);
- Comment on the results of the internal quality assurance programme;
- Confirm the organisational independence of internal audit;
- Review the performance of the Internal Audit Section against the current Internal Audit Charter.

RECOMMENDATION

That the Internal Audit Annual Report for 2020/2021 is approved.

WARDS AFFECTED

None

STRATEGIC LINK

Internal Audit's service aims and objectives are the provision of an independent service, which objectively examines, evaluates and reports to the Council and its management on the adequacy of the control environment. This contributes to the Council's core values of being open and transparent when making decisions and using public resources ethically and responsibly.

1 BACKGROUND

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the results of audit activities are reported to the responsible body. This report summarises the work undertaken by internal audit during the year 2020/2021. This report also fulfils the

requirement of the PSIAS that the Head of Internal Audit deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

2 REPORT

IMPACT OF COVID-19

- 2.1 As has previously been reported, COVID-19 has had a big impact on the ability to complete the 2020/2021 Internal Audit Plan. The Senior Auditor has spent the majority of her time this year working on COVID-19 business grants processes, queries and government returns.
- 2.2 32% of the internal audit plan has been completed which has left gaps in the independent assurance that can be provided in terms of governance, risk and control. For this reason a partially limited annual opinion has been given. This does not mean that controls are failing; it means that internal audit is not able to confirm that controls are operating from the work undertaken or other assurances available.

SUMMARY OF WORK UNDERTAKEN

- 2.3 Appendix 1 details the audit reports issued in respect of audits included in the 2020/21 internal audit plan. The appendix shows for each report the assurance level on the reliability of the internal controls. The report opinions can be summarised as follows:

	Number of reports 2019/20	Number of reports 2020/21
Substantial	9	3
Reasonable	9	2
Limited	1	1
Inadequate	0	0
	19	6

A definition of the above assurance levels is shown at the end of Appendix 1.

- 2.4 There were no issues relating to fraud arising from the reports detailed in Appendix 1.
- 2.5 The following table summarises the performance against key indicators for the Internal Audit Section:

Description	2020/21		2021/22
	Plan	Actual	Plan
Percentage Plan Completed	75%	32%	75%
Number of Complaints	0	0	0
Completion of Annual Report	May 2021	May 2021	June 2022
Customer Satisfaction Score	85%	91%	85%
Net Cost per audit day	£208	£210	£382*
Number/proportion of audits completed within time allocation	80%	**	80%
% Recommendations Implemented where due date has passed	80%	**	80%

* Includes additional audit resource approved by the Committee in March 2021

** Not measured this year due to COVID-19

OPINION ON THE ADEQUACY AND EFFECTIVENESS OF THE CONTROL ENVIRONMENT

- 2.6 The Internal Audit Consortium Manager is responsible for the delivery of an annual audit opinion that can be used by the Council to inform its governance system. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 2.7 In formulating the opinion the CIPFA guidance to internal auditors on the audit annual opinion has been taken into account. CIPFA states that a "limitation of scope" must be given when the Head of Internal Audit is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with professional standards.
- 2.8 Overall, seven out of twenty two planned audits have been completed and an audit of cyber/network security is in progress. Three audit areas received substantial assurance, two reasonable assurance and one limited assurance (Data Protection). The final area of work was in respect of compliance with the CIPFA Financial Management Code, an audit report was not produced however the Director of Resources presented the results of the review to the March 2021 Governance and Resources Committee meeting.
- 2.9 In respect of the areas reviewed, reasonable assurance can be provided although further work is required in terms of the audit review of data protection arrangements, for which actions have been agreed. Assurance can never be absolute. In this context "reasonable assurance" means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required.
- 2.10 The results of the work carried out by internal audit, taken together with other sources of assurance, can only give partial assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

- 2.11 The results of internal audit work concluded during the year is presented in the annual report but this does not result in a comprehensive opinion. Some assurance can be obtained from positive internal audit reviews in previous years and the work of the Risk Management Group, PSN compliance and external audit.
- 2.12 This limitation of scope has arisen because of COVID-19 and the redeployment of the Senior Internal Auditor, which has resulted in the bulk of the internal audit plan not being completed.
- 2.13 To avoid similar limitations in future, the resource levels within internal audit have been reviewed (the 2021/22 budget includes provision for additional audit resources approved by this committee in March 2021). At the time of writing this report it has not proved possible to recruit a suitable Senior Auditor and therefore other options are in the progress of being investigated.

ISSUES FOR INCLUSION IN THE ANNUAL GOVERNANCE STATEMENT (AGS)

- 2.14 The internal control issues arising from audits completed in the year have been considered by the Director of Resources during the preparation of the Annual Governance Statement. Data Protection has been included as a significant governance issue in the Annual Governance Statement Action Plan. Also included is the partial annual internal audit opinion in respect of governance, risk and control.

COMPARISON OF PLANNED WORK TO ACTUAL WORK UNDERTAKEN

- 2.15 The Internal Audit Plan for 2020/2021 was approved by the Governance and Resources Committee on the 12th March 2020. Overall, 32% of planned audits were completed during the year. Audits not completed have been carried forward to future years on a risk basis.

COMPLIANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS AND OTHER QUALITY ASSURANCE RESULTS

- 2.16 During 2020/2021 a self- assessment was undertaken to review compliance with the Public Sector Internal Audit Standards. The results confirmed that there were no significant areas of non-compliance.
- 2.17 In October 2016 the Internal Audit Consortium was subject to an external review to ensure compliance with the Public Sector Internal Audit Standards. The review concluded that the Consortium was compliant with and in places exceeded the requirements of the PSIAS. An improvement spreadsheet is in place to log and action improvement ideas.
- 2.18 A further external review has been undertaken in May 2021, the results of which will be presented to this Committee at the next meeting.
- 2.19 It can also be confirmed that the internal audit activity is organisationally independent. Internal audit reports directly to the Director of Resources but has a direct and unrestricted access to senior management and to the Governance and Resources Committee.

2.20 Quality control procedures have been established within the internal audit section as follows:

- Individual Audit Reviews – Working papers and reports are all subject to independent review to ensure that the audit tests undertaken are appropriate, evidenced and the correct conclusions drawn. All reports are reviewed to ensure that they are consistent with working papers and in layout. Whilst these reviews can identify issues for clarification, the overall conclusion of the quality assurance checks is that work is being completed and documented thoroughly.
- Customer Satisfaction – A Customer Satisfaction Survey form is issued with each report. This form seeks the views of the recipient on how the audit was conducted, the report and recommendations made.
- Client Officer Views – A survey form was issued to the client officer seeking her views on the overall performance of the internal audit section for the year in achieving the objectives set out in the Internal Audit Charter.
- The Senior Auditor on site operates to the Public Sector Internal Audit Standards.

2.21 The above quality procedures have ensured conformance with the PSIAS in respect of the reviews undertaken.

2.22 At the end of every audit a customer satisfaction survey is sent to the relevant manager to complete. Based on the customer satisfaction surveys returned, the average score for customer satisfaction during 2020/2021 was 91% (4 questionnaires).

2.23 On an annual basis the client officer for internal audit (Director of Resources) is asked to complete a questionnaire in terms of the overall quality of service provided. The results of the Client Officer survey were a score of 86%.

REVIEW OF PERFORMANCE OF THE INTERNAL AUDIT SECTION AGAINST THE CURRENT INTERNAL AUDIT CHARTER

2.24 The Internal Audit Charter was last reported to and approved by the Governance and Resources Committee in July 2020.

2.25 Based on the information provided in this report on the completion of the 2020/2021 internal audit plan, it is considered that in respect of the audits undertaken the requirements of the Charter were met during the year.

3 RISK ASSESSMENT

3.1 Legal

Internal Audit provides a valuable service in reviewing procedures and processes against high standards of governance. Recommendations arising from specific reports

help the organisation to learn, improve and mitigate risk. There are no specific legal considerations arising from this report.

3.2 Financial

There are no financial considerations arising from the report.

3.3 Corporate

This report ensures that Members are aware of the work undertaken by internal audit during 2020/2021 and internal audit's opinion on the adequacy and effectiveness of the systems in place at Derbyshire Dales District Council.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

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6 BACKGROUND PAPERS

6.1 None

7 ATTACHMENTS

7.1 Appendix 1 – Internal Audit Reports Issued 2020/2021

Internal Audit Reports Issued 2020/21

Ref	Report Title	Assurance Level 2020/21
1	Planning Fees	Reasonable
2	Data Protection	Limited
3	Climate Change	Substantial
4	Council Tax	Substantial
5	National Non Domestic Rates	Substantial
6	Treasury Management	Reasonable

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

Governance and Resources

1st July 2021

Report of the Director of Resources

EXTERNAL AUDIT PROGRESS REPORT

PURPOSE OF REPORT

This report provides:

- an update on progress in the external auditors delivering their responsibilities for the audit of the 2020/21 Statement of Accounts;
- a summary of recent national reports and publications that may be of interest to Members.

RECOMMENDATION

That the “Audit Progress Report (June 2021)” from the External Auditor be noted.

WARDS AFFECTED

None

STRATEGIC LINK

None

1 REPORT

- 1.1 The Audit Progress Report, shown at Appendix 1 to this report, provides Members with updates on the progress in delivering their responsibilities as the Council’s external auditors.
- 1.2 The Audit Progress Report says that Public Sector Audit Appointments (PSAA) Limited has recently confirmed its agreement of the fee variations related to the 2019/20 audit (carried out in 2020/21). This resulted in a fee increase of £10,102 for 2019/20 and £5,910 for subsequent years. The external auditor informed this Committee of these amounts in January 2021, and explained the reasons for the increase. The additional amounts were agreed by the Director of Resources under delegated authority and subsequently included in the revised estimates for 2020/21 and the budget for 2021/22, approved in March 2021.
- 1.3 For the audit of the 2020/21 accounts, the external auditor reports that:
 - the statutory deadline for the completion of the audit is 30 September 2021;
 - the auditors’ latest plan is that they will be performing the main element of audit

fieldwork in September 2021 (due to a backlog of work, resource difficulties, the departure of staff and difficulties with recruitment and retention). They will try to do some preliminary work earlier than this in relation to sample selection, so that when work starts in earnest, management will have had time to gather the supporting information the auditors need;

- At the current time, the auditors hope to present their Audit Completion Report to the Governance and Resources Committee on 30 September 2021 and to be able to issue the audit opinion after the meeting, but point out that the time scale is very tight and there is a risk to meeting this timetable.
- The auditors will keep management and the Governance and Resources Committee informed as they work through these difficulties.
- It is likely that the auditors will report on VFM at a later date, in accordance with the revised guidance issued by the National Audit Office, as explained on page 16 of their report in Appendix 1.

1.4 The Audit Progress report also provides details of key national publications that may be of interest to Members.

2 RISK ASSESSMENT

2.1 Legal

There are no legal risks arising from this report.

2.2 Financial

The fees for external audit can be contained within the revenue budget for 2021/22. The financial risk is therefore 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

4 CONTACT INFORMATION

4.1 Karen Henriksen - Director of Resources
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5 BACKGROUND PAPERS

5.1 None

6 ATTACHMENTS

Appendix 1 – Audit Progress Report (June 2021) from Mazars

Audit Progress Report

Derbyshire Dales District Council

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June 2021



1. Audit progress
2. National publications

01

Section 01: **Audit progress**

Audit progress

Purpose of this report

This report provides the Governance and Resources Committee with an update on progress in delivering our responsibilities as your external auditors and also includes, at Section 2, for your information, a summary of recent national reports and publications.

2019/20 audit

Public Sector Audit Appointments (PSAA) Limited has recently confirmed its agreement of the fee variations related to the 2019/20 audit. We will arrange for billing in due course.

Changes to Audit Engagement Team

Amber Davidson replaces John Pressley as audit manager for 2020/21. Amber has 8 years experience in external audit and has worked for Mazars for 5 years. Amber has relevant experience working with complex audits and a current portfolio of local authority and NHS foundation trust clients.

~~20~~20/21 audit

As members of the Governance and Resources Committee will recall, we presented our Audit Strategy Memorandum for 2020/21, dated 18 February 2021, to the meeting on 11 March 2021.

At that time, the planned timeline for completion of the audit was in accordance with the revised timetable for completion announced by MHCLG of the end of September 2021. We did alert members to the pressures we were experiencing in terms of recruitment and retention, and the continuing impact of the pandemic, particularly in light of the 2020/21 timetable for audit completion moving to 30 September 2021, whereas the timetable for 2019/20 had been 30 November 2020.

Our latest plan is that we will be performing the main element of audit fieldwork in September 2021 due to a backlog of work, resource difficulties, the departure of staff and difficulties with recruitment and retention. We will try and do some preliminary work earlier than this in relation to sample selection, so that when we start the work in earnest, management will have had time to gather the supporting information we need.

At the current time, we hope to present our Audit Completion Report to the Governance and Resources Committee on the 30 September 2021 and to be able to issue our audit opinion after the meeting, but we would point out that the time scale is very tight and there is a risk to meeting this timetable. We will keep management and the Governance and Resources Committee informed as we work through these difficulties. It is likely that we will report on VFM at a later date, in accordance with the revised guidance issued by the NAO, and explained on page 16 of this report.

Audit progress

As you are aware, the difficulties we are experiencing reflect the significant challenges in the local audit sector and are being experienced nationally by all audit firms working within the local audit regime. These issues were set out in the independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities which reported on 8 September 2020 and the National Audit Office (NAO) publication, Timeliness of Local Auditor Reporting on Local Government in England, 2020 published on 16 March 2021.

Redmond concluded that the “local audit market is very fragile” and highlighted that 40% of 2018/19 audits had failed to meet the reporting timetable of 31 July 2019.

The position worsened in 2019/20 in part due to the pandemic. The NAO report highlights that only 45% of 2019/20 audits met the 30 November 2020 deadline, which had been extended as a result of the Covid-19 pandemic. Some of the relevant underlying weaknesses were summarised in the NAO report as follows:

14 The COVID-19 pandemic has exacerbated problems which already existed within the local audit landscape. Our previous reports and consultation with the sector identified several long-standing problems within local audit. There is insufficient staff with the relevant qualifications, skills and experience in both local finance teams and firms serving the local audit sector, and a net loss of qualified staff from both. The requirements of International Financial Reporting Standards, along with the increased expectations from the Financial Reporting Council (FRC) following the high-profile corporate failures such as Carillion, have combined to produce a significant increase in audit work, such as on asset and pensions valuations, which local authorities found less useful. The relative lack of attractiveness of the audit of local public bodies, compared with alternative audit opportunities available to staff, has contributed to a high staff turnover level.]

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Mazars has avoided the worst of these difficulties in the last two audit years (2018/19 and 2019/20) but we are now experiencing similar problems to the other audit firms.

One of the Government’s responses to the Redmond Review has been to extend the audit timetable for 2020/21 audits to 30 September 2021 on the grounds that 31 July is unrealistic at the current time. However, this is two months earlier than last year’s timetable of 30 November and fails to account for the continuing impact of the pandemic. The working restrictions imposed on all of us by Covid-19 has meant that work is taking longer to complete and this has also led to a backlog of 2019/20 audit work.

Our priority is to deliver a high quality audit and where we are unable, for reasons beyond our control, to work to the shorter timetable our only option is to deliver the work at a later date. We are actively recruiting new staff but they are unlikely to resolve the issues this year, although the steps we are taking will help prevent a recurrence in future years.

02

Section 02: National publications

National Publications

	Publication/update	Key points
	Chartered Institute of Public Finance and Accountability (CIPFA)	
1.	Consultation on stronger Prudential Code	CIPFA is consulting on the Prudential Code, including proposals to strengthen the requirements for commercial investments.
2.	Fraud and Corruption Tracker	CIPFA's latest information has been published.
3.	CIPFA Bulletin 06 – Application of the Good Governance Framework 2020/21	Provides updated guidance and takes into account the introduction of the CIPFA Financial Management Code 2019 during 2020/21.
4.	CIPFA Bulletin 09: Closure of the 2020-21 Financial Statements, 30 April 2021	This bulletin provides guidance for local government bodies on a range of issues that may need to be considered as part of their 2020-21 accounts preparation.
	Ministry of Housing, Communities and Local Government (MHCLG)	
87		
5.	MHCLG's Consultation on amendments to the Accounts and Audit Regulations 2015	Consultation closed on the 1 st March 2021; the Accounts deadline was set as 31 July 2021 and Audit deadline of 30 September 2021.
6.	MHCLG - Methodology for allocating £15 million to local bodies and review of Appointing Person regulations, 20 April 2021	£15 million in additional funding in 2021/22 towards external audit fees. Consultation on amending the timescale for setting fee scales.
7.	MHCLG - Local authority financial reporting and external audit: Spring update, 19 May 2021	A new regulator, the Audit, Reporting and Governance Authority (ARGA), to replace the FRC, preferred system leader. Public Sector Audit Appointments (PSAA) role to continue into next national procurement.
	National Audit Office (NAO)	
8.	Local government finance in the pandemic, March 2021	The report found that the Department's successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government.

National Publications

	Publication/update	Key points
National Audit Office (NAO)		
9.	Timeliness of local auditor reporting in England, 2020	The report is based on published data, the views of local authority finance directors, key stakeholders in the audit landscape, and audit firms.
10.	Public service pensions	This report outlines how the public service pensions landscape has changed since the Hutton Review and highlights key challenges for the future.
11.	NAO Updated Guidance for Auditors, April 2021	Revised guidance for VFM arrangements work under the new Code of Audit Practice, including extended deadlines, and updated guidance on consideration of going concern in the public sector context.
12.	NAO Report – <i>Initial learning from the government's response to the COVID-19 pandemic, May 2021</i>	Latest NAO report on learning from the government response to the pandemic.

NATIONAL PUBLICATIONS

CIPFA

1. CIPFA consults on a stronger Prudential Code, January 2021

CIPFA has launched a consultation on proposals to strengthen the Prudential Code, following growing concerns over local government commercial property investments. The Prudential Code is a professional code of practice that aims to ensure local authorities' financial plans are affordable, prudent and sustainable. To date, the provisions in the Code have not prevented a minority of councils from taking on disproportionate levels of commercial debt to generate yield. The proposed changes are intended to prevent future misinterpretations of the Code and strengthen the necessary regard to its provisions to protect local decision making and innovation. The consultation will be open for 10 weeks and responses must be submitted by 12 April 2021.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/cipfa-consults-on-stronger-local-government-prudential-code>



2. Fraud and corruption Tracker, February 2021

The latest CIPFA Fraud and Corruption Tracker (CFaCT), which includes local government data between 1 April 2019 and 31 March 2020, provides a baseline illustration about the prevalence of grant fraud in the public sector, just before unprecedented levels of COVID-19 grant funding for councils were released by the government in March of last year. The report follows previous warnings from the National Crime Agency and other law enforcement bodies of an increase in cases related to suspected COVID-19 grant fraud. Valued at an estimated loss of £36.6m, the report reveals only 161 instances of grant fraud occurred in 2019/20.

The report also shows that council tax continued to be the largest area of identified fraud for councils, with more than 30,600 cases totalling £35.9m in 2019/20. This year, 32% of respondents also stated their organisation had been a victim of a Distributed Denial-of-Service (DDoS)/hacking attack in the last 12 months, a 5% increase from the previous year. Survey respondents also expressed concern about councils' inability to tackle usual areas of fraud due to resource being re-directed into the processing and review of COVID-19 business grants.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/grant-fraud-represented-less-than-of-uk-public-sector-fraud-pre-pandemic>

NATIONAL PUBLICATIONS

CIPFA

3. CIPFA Bulletin 06, Application of the Good Governance Framework 2020/21, February 2021

This bulletin covers the impact of the continuing COVID-19 pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework). It also takes into account the introduction of the CIPFA Financial Management Code 2019 (FM Code) during 2020/21.

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-06-application-of-the-good-governance-framework-202021>

8 CIPFA Bulletin 09: Closure of the 2020-21 Financial Statements, 30 April 2021

Auditors will wish to be aware that CIPFA have published Bulletin 09: Closure of the 2020-21 Financial Statements. This bulletin provides guidance for local government bodies on a range of issues that may need to be considered as part of their 2020-21 accounts preparation.

Hot topics include accounting for grant funding in the pandemic, accounting for dedicated schools grant deficits and accounting for collection fund surpluses and deficits in 2020/21.

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-09-closure-of-the-202021-financial-statements>

NATIONAL PUBLICATIONS

MHCLG

5. MHCLG's Consultation on amendments to the Accounts and Audit Regulations 2015, February 2021

MCHLG has consulted on its proposed changes to the accounts publication deadline for 2020/21 and 2021/22.

The draft regulations includes provisions, at regulation 2 to change the publication deadline for principal authorities from 31 July to 30 September as proposed in recommendation 10 by the Redmond review, but for 2 years - 2020/21 and 2021/22. The intention is for the amended deadline to be reviewed after that period when it will be clearer as to whether the audit completion rate has improved.

The draft regulations also enable principal bodies to publish their draft accounts for inspection, linked to the later publication deadline, by removing the fixed period for public inspection, to say instead that the draft accounts must be published on or before the first working day of August. This will allow authorities and audit firms more flexibility to schedule their audits in line with the later publication deadline but, importantly, will not prevent them from being signed off earlier. This mirrors the approach taken in the Accounts and Audit (Amendment) (Coronavirus) Regulations 2020.

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MCHLG's consultation closed on 1 March 2021.

6. MHCLG - Methodology for allocating £15 million to local bodies and review of Appointing Person regulations, 20 April 2021

The Ministry of Housing, Communities & Local Government (MHCLG) announced as part of its response to the Redmond Review, that it would provide £15 million in additional funding in 2021/22 towards external audit fees and the development of the proposed new standardised statement of service information and costs. The department has now launched a short, four-week consultation, seeking views on the on the methodology for allocating these funds to local bodies. <https://www.gov.uk/government/consultations/consultation-on-allocation-of-15-million-to-local-bodies-for-audit/redmond-review-response-changes-to-the-audit-fees-methodology-for-allocating-15-million-to-local-bodies>

Running alongside this, the department has also launched a separate six-week consultation on the implementation of changes to the fee setting process for principal bodies set out in the Local Audit (Appointing Person) Regulations 2015. The consultation primarily seeks views on amending the timescale for setting fee scales, enabling the appointing person to consult on and approve a standardised additional fee, and for such payments to be made in year rather than at the completion of the audit. <https://www.gov.uk/government/consultations/amendments-to-local-audit-fee-setting-arrangements>

NATIONAL PUBLICATIONS

MHCLG

7. MHCLG - Local authority financial reporting and external audit: Spring update, 19 May 2021

In December 2020, MHCLG delivered its response to the Redmond Review. This report details the actions already taken to implement the Redmond Review recommendations, and also sets out the government's thinking on the recommendations relating to systems leadership.

In March 2021 the government published a White Paper setting out its plans to reform corporate audit, reporting and governance. The White Paper set out details of how the government proposes to establish a new regulator, the Audit, Reporting and Governance Authority (ARGA), to replace the FRC. It also set out government plans to create a new audit profession that is distinct from the accountancy profession, and to encourage competition in the market for audit of large listed companies. We have looked at options for local audit in the context of these wider reforms.

In this context, it is our view that ARGA, the new regulator being established to replace the FRC, would be best placed to take on the local audit system leader role.

The Department welcomes the changes made in the latest Code of Audit Practice in relation to VFM reporting. Until recently, the Code required auditors to give a binary opinion on whether the proper arrangements were in place. However, this was revised in the recent update to the Code, which now requires auditors to provide a narrative statement on the arrangements in place. The department welcomes this change, as it is our view that the binary value for money judgement required under the previous Code did not provide sufficient information for taxpayers or local bodies, particularly in a context where the complexity and commercialisation of local authority finances has increased. The new value for money requirements in the updated Code including a new commentary on governance, arrangements for achieving financial sustainability, and improving economy, efficiency and effectiveness - should help to address this.

MHCLG has confirmed that PSAA is the organisation best placed to act as the appointing body, including overseeing the next procurement of audit contracts. There is a balance to be struck between cost and quality. Historically, there were concerns that fees were too high and it was right that real savings were delivered for the taxpayer following the abolition of the Audit Commission. However, the context has changed since 2014, including the structure of the market, plus new obligations and the complexity of the work. It is striking that local audit scale fees reduced by 40% between 2014/15 and 2018/19, while central government and FTSE100 fees have increased by 20%. We have been working closely with PSAA in recent months to develop our plans for allowing greater flexibility to reflect additional costs in audit fees, and are allocating £15m to local bodies to help with this and the additional requirements associated with implementing Redmond's recommendations.

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-spring-update/local-authority-financial-reporting-and-external-audit-spring-update>

8. Local government finance in the pandemic, March 2021

The NAO published its report *Local government finance in the pandemic* in March 2021. Local authorities in England have made a major contribution to the national response to the pandemic. This has in turn placed significant pressure on finances, which in many cases were already under strain. The report examines if MHCLG's approach to local government finance in the COVID-19 pandemic enabled the Department to assess and fund the costs of the new services which local authorities have been asked to deliver. It also examines whether the Department fulfilled its responsibilities in securing financial sustainability across the sector. The report focuses on:

- the financial health of the sector before the pandemic and the financial impact of the pandemic in 2020/21;
- action taken by the government to support the sector in 2020/21, including its effectiveness; and
- action taken by government to support the sector's financial sustainability in 2021/22.

The report found that the Department's successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government. Action by the Department and wider government to support the sector averted system-wide financial failure at a very challenging time and means that the Department managed the most severe risks to value for money in the short term.

However, the financial position of local government remains a cause for concern. Many authorities will be relying on reserves to balance their 2020/21 year-end budgets. Despite continuing support into 2021/22, the outlook for next year is uncertain. Many authorities are setting budgets for 2021/22 in which they have limited confidence, and which are balanced through cuts to service budgets and the use of reserves.

<https://www.nao.org.uk/report/local-government-finance-in-the-pandemic/>

9. NAO Report – Timeliness of local auditor reporting in England, 2020

On 16 March, the NAO published its report Timeliness of local auditor reporting on local government in England, 2020. Since 2015, the Comptroller and Auditor General (C&AG) has been responsible for setting the standards for local public audit in England, through maintaining a Code of Audit Practice and issuing associated guidance to local auditors. This report sets out the:

- roles and responsibilities of local auditors and national bodies to the local audit framework in England; and
- facts relating to the decline in the timeliness of delivering audit opinions on local government in England and the main factors contributing to that decline in timeliness.

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The report is based on published data, the views of local authority finance directors, key stakeholders in the audit landscape, and audit firms. The report also considers the impact on central government. Given the increasing financial challenge and service pressures on local authorities since 2010, local councils need strong arrangements to manage finances and secure value for money.

The report concludes that the position for 2019/20, with 55% of local authorities failing to publish audited accounts by 30 November, is concerning, given the important part that external audit plays in assurance over taxpayers' money both centrally and locally.

Since the NAO reported on local authority governance and audit in 2019, and despite efforts by the various organisations involved in the local audit system and by the Ministry of Housing, Communities and Local Government, the report concludes that the situation has worsened. The increase in late audit opinions, concerns about audit quality and doubts over audit firms' willingness to continue to audit local authorities all highlight that the situation needs urgent attention, which will require co-operation and collaboration by all bodies involved in the local audit system, together with clear leadership from government.

<https://www.nao.org.uk/report/timeliness-of-local-auditor-reporting-on-local-government-in-england-2020/?slide=1>

10. NAO Report – public service pensions, March 2021

As an employer, the government provides public service employees with access to occupational pension schemes. As at 31 March 2020, there were more than 8 million members of four of the largest public service pension schemes (the armed forces, civil service, NHS and teachers' pension schemes), of which 2.8 million were retired and receiving pension benefits and 5.2 million were either current or former employees. Around 25% of pensioners and 16% of the working-age population are members of a public service pension scheme.

In general, public service pensions have become more expensive over time as the number of people receiving them has increased, owing to more members entering retirement and living longer. This trend applies across public and private pensions and is consistent with international experience. In 2010 the government established the Independent Public Service Pensions Commission, chaired by Lord Hutton (the Hutton Review) to undertake a fundamental structural review of public service pensions. Following the Hutton Review final report in March 2011, and a period of negotiations with trade unions representing public service employees, the government introduced reforms intended to manage the future costs of providing pensions.

Public service pensions are a notable benefit to public servants. HM Treasury focuses on the affordability of these pensions and who pays for them. The total costs of providing pensions have been increasing over time, reflecting increasing numbers of pensioners. The government's pension reforms over recent years have contained the rise in future taxpayer costs by making pensions less generous and by increasing contributions from employees. However, taxpayer funding has increased and it will take decades for the full effects of the 2011/2015 reforms to be seen in the government's affordability measure. The balance of taxpayer funding has shifted from central payments by HM Treasury to employer contributions by departments and organisations to ensure that employers bear the consequences of their employment decisions.

However, HM Treasury needs to monitor more than just affordability. Government's approach to protecting those nearest retirement has been ruled unlawful and will cost time and money to resolve. The government's reforms also take no account of pensions as a recruitment and retention tool, with pensions continuing to be relatively inflexible; the only real choice for most employees is to stay in the scheme or opt out altogether.

<https://www.nao.org.uk/report/public-service-pensions/>

11. NAO Updated Guidance for Auditors, April 2021

In April 2021, the Comptroller and Auditor General (C&AG) approved and published updated auditor guidance:

Auditor Guidance Note 03 (AGN 03) - Auditors' Work on Value for Money Arrangements. This has been updated to enable auditors to give their opinion on the financial statements if they have not yet completed all their VFM arrangements work (where there is no material impact on the opinion), including the approach to reporting any further issues if necessary by exception when auditors issue their certificate. The AGN also introduced revised deadlines for the Auditor's Annual Report, which includes the new commentary on VFM arrangements, of up to 3 months after issuing the audit opinion.

Auditor Guidance Note 07 (AGN 07) – Auditor Reporting. This was updated to bring it into line with AGN 03 as above.

Supplementary Guidance Note 01 (SGN 01) - Going Concern – Auditors' responsibilities for local public bodies. The SGN focus is primarily on *Practice Note (PN) 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2020)*, setting an expectation that auditors will follow the approach it sets out. This recognises that going concern in the public sector context includes the concept of the 'continued provision of services' and the legislative basis for public services, which means that the circumstances that will give rise to a material uncertainty in going concern are relatively limited and rare, and would normally require legislative changes. This view is also reflected in the CIPFA Code, which recognises that the financial statements are prepared on a going concern basis.

The NAO guidance does, however, highlight the wider issue of financial sustainability and funding for public services. Management will still need to undertake a going concern assessment, and disclose an appropriate narrative within its financial statements in relation to the impact of the pandemic and pressures on funding, and disclose any potential material uncertainties should they exist.

All of the NAO auditor guidance is publicly available at this link: <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>

12. NAO Report – *Initial learning from the government’s response to the COVID-19 pandemic, May 2021*

The NAO has recently published its *Initial learning from the government’s response to the COVID-19 pandemic* report, which is part of a programme of work the NAO is undertaking to support Parliament in its scrutiny of government’s response to COVID-19. The report finds that the COVID-19 pandemic has stress-tested the government’s ability to deal with unforeseen events and potential shocks. Government has often acted at unprecedented speed to respond to a virus which has caused dramatic disruption to people’s lives, public service provision and society as a whole. Government had to continue to deliver essential public services, while reprioritising resources to deliver its response to the COVID-19 pandemic and supporting staff to work from home. In its response, government has had to streamline decision-making, work across departments and public bodies and use a range of delivery structures.

Departments will need to reflect on the lessons learned to ensure that they capitalise on the benefits and opportunities these new ways of working have brought.

This report draws out learning from the reports that we have published to date, as well as other work we have published that covered the COVID-19 pandemic. It sets out this learning across six themes:

- risk management;
- transparency and public trust;
- data and evidence;
- coordination and delivery models;
- supporting and protecting people; and
- financial and workforce pressures.

The NAO will continue to draw out learning from the government’s response to the pandemic from our future work.

The full report is available from the NAO website. <https://www.nao.org.uk/wp-content/uploads/2021/05/Initial-learning-from-the-governments-response-to-the-COVID-19-pandemic.pdf>

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GOVERNANCE & RESOURCES COMMITTEE

1st July 2021

Report of the Director of Resources

PROGRESS UPDATE ON THE 2020/2021 INTERNAL AUDIT PLAN

PURPOSE OF REPORT

To present for members' information a progress update in respect of the 2020/2021 Internal Audit Plan. The report includes a summary of internal audit reports issued since the last meeting of this committee and an update on the implementation of internal audit recommendations.

RECOMMENDATION

That the report be noted.

WARDS AFFECTED

None

STRATEGIC LINK

Internal Audit's service aims and objectives are the provision of an independent service, which objectively examines, evaluates and reports to the Council and its management on the adequacy of the control environment. This contributes to the Council's core values of being open and transparent when making decisions and using public resources ethically and responsibly.

1 BACKGROUND

- 1.1 The 2020/2021 Operational Audit Plan was approved by the Governance and Resources Committee on the 12th March 2020. The plan provides a framework by which service functions are reviewed to test and report on the adequacy and effectiveness of risk management systems and the internal control environment within the Council.
- 1.2 This report details the results of the internal audit reviews undertaken since the last meeting and a review of the progress made in respect of implementing internal audit recommendations.

2 REPORT

- 2.1 Attached, as Appendix 1, is a summary of reports issued from the middle of February 2021 to the end of May 2021.
- 2.2 Reports are issued as Drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 2.3 The Appendix shows for each report a summary of the level of assurance that can be given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 2.4 The assurance provided column in Appendix 1 gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's ability to meet its objectives and manage risk in accordance with the following classifications.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

- 2.5 One report has been issued with a conclusion of "Reasonable" Assurance. Two recommendations have been made.
- 2.6 In respect of the audits being reported, no fraud was identified.
- 2.7 As has previously been reported, due to COVID-19, DDDC's senior internal auditor has largely been redeployed to working on business support grants. This has severely impacted on the 2020/2021 Internal Audit Plan and this impact is reported in full in the annual report. It is also flagged in the Annual Governance Statement, which is elsewhere on the agenda for this committee meeting. Audits not completed in 2020/2021 have been re allocated to future years' audit plans on a risk basis.
- 2.8 At its last meeting this Committee agreed to increase the level of internal audit resource. At the time of writing this report it has not proved possible to recruit a suitable Senior Auditor and therefore other options are in the progress of being investigated.

3 IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

- 3.1 Attached at Appendix 2 is the current position at 21 June 2021 of internal audit recommendations made as a consequence of audit reviews 13 recommendations have been satisfactorily implemented since the last report, 13 recommendations are in the

process of being implemented, 4 recommendations are overdue and 8 recommendations have not passed their implementation date. Appendix 2 gives a commentary next to each recommendation describing the progress made.

4 RISK ASSESSMENT

4.1 Legal

There are no legal considerations arising from the report.

4.2 Financial

There are no financial considerations arising from the report.

4.3 Corporate Risk

There is a risk that a lack of independent assurance means that weaknesses in governance, risk and control may go undetected. Action is being taken to increase the resource levels within internal audit.

5 OTHER CONSIDERATIONS

5.1 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.

6 CONTACT INFORMATION

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7 BACKGROUND PAPERS

7.1 None

8 ATTACHMENTS

8.1 Appendix 1 – Summary of Internal Audit Reports Issued Mid- February 2021 – end May 2021.

7.2 Appendix 2 – Implementation of internal audit recommendations

Appendix 1

DERBYSHIRE DALES DISTRICT COUNCIL
Internal Audit Consortium - Report to Governance and Resources Committee
Summary of Internal Audit Reports Issued Mid- February – end May 2021

Report Ref	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
D006	Treasury Management		Reasonable	8/4/21	29/4/21	2	(1M 1L) 2

REVIEW OF OUTSTANDING AUDIT RECOMMENDATIONS AT JUNE 2021

Green	Recommendation satisfactorily implemented
Yellow	Target date not reached
Amber	Work In Progress but recommendation not yet fully implemented
Red	Recommendation remains outstanding

SERVICE	RECOMMENDATIONS	COMMENT	TARGET COMPLETION DATE	STATUS
National Non Domestic Rates January 19	Management should review the void inspection process and procedures to ensure that properties requiring inspection are being visited/reviewed on a periodic cycle. It should be verified that there is adequate documentation/system notes to support inspections made. (Medium)	Update as at 02.06.2021 A list has been produced of 213 empty properties that are exempt from paying empty rates charges. The inspectors are to begin the inspections	30/06/2019 As at November 2020 recommendation still remains outstanding. Revised target date of May 2021	Amber
Procurement March 19	A Service Level Agreement with Derbyshire County Council must be formalised as soon as possible to ensure that access to specialist procurement advice is available and continuous (High)	The SLA has been finalised, however this is still awaiting Signature, currently with DCC. This has been chased several times with DCC but due to annual leave and sickness at DCC there have been constant delays.	31/07/2019 As at 04/11/20 still waiting to be signed by DCC	Amber
Garage Inventory and Procurement April 19	The inventory should be checked and verified on an annual basis by an independent person with any	Confirmed as completed		Green

	discrepancies being investigated (Medium)			
VAT July 19	Consideration be given to producing a VAT manual which provides guidance for departments when raising invoices/credit notes to ensure VAT is treated consistently and correctly. When complete the manual should be placed on SIDD (Medium)	Implementation delay due to other work priorities, revised completion date of Dec 2021.	31/03/2020 Revised date Dec 2021	Red
Budgetary Control August 19	The budget timetable should be reinstated to ensure the preparation of budgets can be completed in and advance and progress monitored (Medium)	A copy of the last Budget timetable will form the basis for the 2021/22 budget cycle when that process begins. Financial Services Manager confirmed that the budget timetable was used for the 21/22 budget	August 2020 Revised date (Sept – Dec 2021)	Green
	To strengthen the budget monitoring process the possibility of producing seasonal profiled budgets for service areas where there are seasonal trends/fluctuations should be considered (e.g. Car Parking Income) (Low)	PF – 02/06/21 Seasonal budgets – Simple profiles will be considered as part of ongoing budget setting, such as 100% P13 so to not distort monitoring reports.	November 2020 Revised date Delayed until 2022/23 budget cycle (Sept – Dec 2021)	Red
	To assist budget holders with budget monitoring consideration be given to producing a summary report to highlight significant variances against budget. For example a variance greater than £2,000 or 10% of budget (Low)	Delayed due Financial Services Manager post being vacant. Implementation date amended from January 2020 to August 2020. PF – 02/06/21 – we are currently appraising monitoring reports. We can look to use conditional formatting to highlight variances rather than	August 2020 Delay until Dec 2021	Amber

			creating an additional report for this.		
Main Accounting September 19	The current user list of Agresso should be reviewed and any leavers removed from the system. System access should be removed upon receipt of leavers notifications from Payroll (Low)		Completed	30/11/2019 Delay until Dec 2021	Green
Leisure Centre Management November 2019	Advice should be sought from the Legal Services Manager regarding the performance bond acquired by Freedom Leisure to determine if it is the Council's interests to request a new performance bond. It must be ensured that the bond remains effective until 31st July 2033 (Medium)		Awaiting advice from the Legal Services Manager regarding the performance bond. Sent to legal on 09/12/19 and chased again on 11/12/19 09/06/21 – Evidence was provided in April 2020 to show that the performance bond was in place. It was agreed that this should be subject to annual review. Therefore, Legal have emailed NatWest bank to request confirmation that the performance bond is still in place.	31/03/20	Amber
	Management should determine if the annual surplus/deficit figures provided by Freedom are to be accepted as correct in light of the figures not being independently verified. If not then Freedom should be requested in accordance with Schedule 19 of the contract to produce a calculation of the operating surplus/deficit completed in the format specified by the		Independently verified accounts are now received.	31/7/20	Green

	contract and signed by their auditors. (Medium)			
Health and Safety November 2019	Additional more in depth training e.g. IOSH to Service Managers and Supervisors in high risk areas should be given to ensure there is sufficient knowledge and understanding in managing health and safety within the workplace and the consequences of not doing so. (High)	Agreed at safety committee 17/06/21 - Training budget allocated for Clean and Green Manager and supervisors.	August 2020	Amber
	Consideration be given to the production of an annual report to members detailing the Health and Safety performance of the Authority. (Low)	TB – 30/04/21 Not done due to Covid. Will be picked up this year – Committee meetings permitting (i.e. now we're not allowed to have virtual meetings)	30/06/20	Red
	Risk Assessments should be retained in the central X:Drive Partnerships and Projects folder to ensure they are available to all employees (Low)	TB – 30/04/21 Partially completed. New area on intranet, containing some, but not all of the Risk Assessments	30/03/20	Amber
	To ensure there is a robust system of control regarding Health and Safety consideration be given to procuring an external periodic review of the arrangements to verify employees are being adequately protected in the workplace and that the Authority is compliant with all relative legislation and regulations. (Medium)	TB – 30/04/21 Not done during Covid. To be revisited	30/03/20	Red

Choice Based Lettings February 2020	<p>The actions identified on the personal asset data register that were identified by the DP Consultant in June 2017 should be addressed as a priority in particular:-</p> <ul style="list-style-type: none"> • A data sharing agreement should be formulated and signed by all members of the Home-Options partnership • Locata's GDPR compliance statement should be obtained <p>(High)</p>	<p>Waiting for DDDC Legal to finalise</p> <p>Copy provided to Internal Audit</p>	<p>TBC</p> <p>25/09/2020</p>	Amber
Safeguarding March 2020	<p>To raise awareness and to ensure that the policy is adhered to arrangements should be made to provide safeguarding training as part of tool box talks to employees based at the depot. Employees should sign a record to evidence that they have received the training and this should be forwarded to HR to enable them to update employee training records. Evidence of training slides used should also be provided to HR and the Head of Community and Environment to ensure that the training was adequate (Medium)</p>	<p>The Clean & Green Supervisors have converted the training documents into Tool Box Talks, but due to COVID-19 situation the completion of the training has been delayed. This will be completed by the end of October 2020.</p> <p>Update 07/06/21 – Only a small number to receive training. Timing has proved difficult with these employees only work mornings/weekends.</p>	<p>October 2020</p>	Amber
	<p>Employees should periodically re-visit the Safeguarding Mandatory training courses within LOLA to ensure that they remain confident and competent in recognising and responding to safeguarding concerns (Low)</p>	<p>This training is mandatory, as part of the inductions process for new employees.</p> <p>Senior managers are to determine which staff require more frequent training (every 2 years) and those with little to no</p>	<p>Mandatory training for new employees is now in place.</p> <p>SMT to identify appropriate employees for</p>	Amber

			interaction with children or vulnerable adults (every 5 years)	renewal training by end of October 2020	
		Further training sessions must be held for Members to ensure that mandatory training is provided to all Members as recommended and agreed at Governance and Resources Committee on 11 th July 2019 (Medium)	A second opportunity to attend the training has been included in the Members Training Programme for 18:00 on the 18 November 2020.	November 2020	Amber
Asset Management June 2020		The Corporate Property Group should meet every quarter. Minutes of these meetings should also be produced to ensure that all decisions and actions are noted (Medium)	Since the 23/09 meeting, CPG have met twice on 09/02 and 09/06 minutes are recorded in the folder. It was not possible to meet quarterly to date due to other pressures due to Covid 19	01/10/20	Green
		Given the slippage on the asset management plan objective dates, it is essential that monitoring of progress on the objectives within the AMP is undertaken regularly by the Corporate Property Group. The Corporate Leadership Team and Members should be made aware of any significant delays and consider remedial action where appropriate (Medium)	Quarterly monitoring of AMP dates with any concerns flagged to CLT. The AMP dates were reviewed at the 23/09 and 09/02 meetings and will be discussed at the next meeting in September 2021. The main priority projects have been progressing but there is some slippage in lower priority areas due to Covid 19.	01/11/20	Green

	In conjunction with Accountancy a reconciliation of the Financial Asset Management System to the UNIFORM system should be undertaken (Medium)	Update 09/06/21 This process requires significant legal input and an initial meeting to commence the process took place on 13/05 chaired by Tim Braund. A further meeting is due on 24/06.	No date set	Amber
	To strengthen controls the unique property reference within the UNIFORM system should be detailed within the CIPFA Asset System to assist with the reconciliation process (Low)	To be discussed and date set at next CPG meeting Update 09/06/21	No date set	Amber
Planning Fee Income April 2020	A method of completing a reconciliation should be introduced to confirm planning applications submitted and paid by the planning portal can be verified as being received into the Council's bank account. (High)	Completed	31 December 2020	Green
	A report from the Uniform system should be created to enable a simple reconciliation to be undertaken to provide assurance that all planning application fees processed through the Uniform system have a payment receipted within the Financial Management System. (Low)	Completed	31 December 2020	Green

Data Protection September 2020	To ensure the Data Protection Policy is easily accessible to employees a dedicated Information Governance section should be established on the SIDD intranet site and this policy be included (Low)	DW 02/06/2021: Information Governance page prepared. Information Governance Support is the Admin for SIDD. Document to be added to A-Z documents and linked to IG Page.	DW 02/06/2021: Green
	Contracts of employment and job descriptions should be updated to reflect the current Data Protection Act 2018, not Data Protection 1998 (Low)	HR & Payroll Manager	Green
	Completion of the mandatory data protection training should be monitored to ensure that the training is completed by all employees and elected members. Consideration be given to removing computer access to those employees that have not completed the training by the target date. (High)	DW 02/06/2021: Deadline extended by CLT to end of November 2020 due to resource for Covid response. Completed within revised timescale. Dates set for member training (12 Oct & 5 Nov) DW 02/06/2021: Workshops delivered 12 Oct & 4 Nov, Further training to be provided for new Elected Members. Dates for training for non-office based staff to be agreed. DW 02/06/2021: This training needs to be face to face. Training has been delayed due to Covid restrictions.	Amber
		Completed	
		30/09/2020	
		05/11/2020	
		31/12/2020 Revised deadline set by IGB 31/07/2021	

	As recommended by the ICO redaction training for employees should be provided (Medium)	DW 02/06/2021: Training to be undertaken by New Information Governance Officer who joined March 2021. Redaction will be part of larger Disclosure training.	31/01/21 Revised date 31/07/2021	Yellow
	To ensure all the data processing functions within a new system are fully documented/captured and reviewed adequately the DPIA must be completed by the project/service manager. The IGO should only provide advice regarding compliance and not be actively involved in the completion of the DPIA (Medium)	DW 02/06/2021: New Information Governance Officer who joined March 2021 to develop the DPIA processes	31/01/21 Revised date 30/06/2021	Yellow
	Training should be provided to designated officers to raise awareness of the requirement to complete a DPIA and to ensure that the process captures and addresses data protection and privacy implications	DW 02/06/2021: New Information Governance Officer, who joined March 2021, to deliver training on new procedures	31/01/21 Revised date 31/07/2021	Yellow
	Paper and electronic forms used by the Council which include personal information should be reviewed as soon as practically possible and amended to include a simpler statement on how their personal data will be dealt with and where they can find further information. To comply with Article 13 of GDPR a full more in-depth statement should be written	DW 02/06/2021: Paper being prepared for Information Governance Board on 26 July 2021 regarding the possibility of utilising new software which will create a Records of Processing Activity (ROPA) register which can then be used to create Information Asset Register and Service/Process Privacy Notices (this would reduce	Briefing paper by 30/11/20 to include timescale for project for approval by CLT Revised deadline set by IGB.). Prepare paper for CLT by 31 August 2021.	Yellow

	and made available to individuals at the time we obtain their data.	duplication of work). Prepare paper for CLT by 31 August 2021.		
	The current asset register should be reviewed and updated to ensure that all personal data collected and processed by the authority can be recorded and mapped	DW 02/06/2021: Paper being prepared for Information Governance Board on 26 July 2021 regarding the possibility of utilising new software which will create a Records of Processing Activity (ROPA) register which can then be used to create Information Asset Register and Service/Process Privacy Notices (this would reduce duplication of work). Prepare paper for CLT by 31 August 2021.	31/01/2021 Revised deadline set by IGB.). Prepare paper for CLT by 31 August 2021.	Yellow
Climate Change November 2020	The Procurement strategy should be reviewed and updated to ensure a strong emphasis is placed on the Council's commitment to reduce carbon emissions and become net neutral by 2030. Tender scoping documents and the evaluation process must ensure that climate change is considered in each procurement process	New Climate Change Project Officer now in post, working with Director of Regulatory Services and Business Support Manager	31 July 2021	Yellow

Council Tax	Diary dates should be used to monitor discounts applied to ensure they are reviewed and not applied for longer than necessary	Completed	30.11.2020 Email instruction sent to Council Tax team to monitor diary dates 27/11/20	Green
	In accordance with the time table the review of discounts applied should be brought up to data as soon as possible	Completed	31.03.2021 Confirmation received that all exemption codes have been reviewed (14/05/21)	Green
NDR February 2021	A review should be undertaken with all accounts with 'stop recovery' to ensure they are still being placed on hold for a valid reason	Completed - 02.06.2021 SK gave an update as at 17.05.21. This was almost completed by 17.02.2021, but the ones that are left haven't yet been looked at as yet. Having looked at the list, it would seem that they are cases that are insolvent and Derbyshire County Council	30.04.21 cases in the main.	Green
Treasury Management April 2021	Monthly reconciliations of investments/loans and borrowing outstanding to the Agresso Financial Management System should be reinstated as soon as possible	Agree to undertake this rec monthly.	September 2021	Yellow

	<p>Procedure and guidance notes for the Treasury Management function should be reviewed and updated where required to ensure that the process and procedures are robust and documented adequately.</p>	<p>As part of handover and learning the role it is anticipated that the Principal Accountant will utilise existing procedure and guidance notes, ensuring they are fit for purpose and updating as required.</p>	<p>December 2021</p>	<p>Yellow</p>
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GOVERNANCE AND RESOURCES COMMITTEE

1st July 2021

Report of Director of Resources

CIPFA FRAUD AND CORRUPTION TRACKER SURVEY 2020

PURPOSE OF REPORT

To present for members' information the results of CIPFA's Fraud and Corruption Tracker Survey 2020 that provides a picture of fraudulent activity in local government. (Appendix 1).

To detail the controls and procedures that DDDC has in place to mitigate the risk of fraud.

RECOMMENDATIONS

1. That the results of CIPFA'S Fraud and Corruption Tracker survey be noted.
2. That the fraud prevention measures that DDDC has in place to reduce the risk of fraud be noted.

WARDS AFFECTED

None

STRATEGIC LINK

Raising awareness of the risk of fraud supports the Council's Corporate Plan values by ensuring that the Council uses public resources responsibly.

1 BACKGROUND

- 1.1 The CIPFA Counter Fraud Centre was launched in July 2014 following the closure of the National Fraud Authority and the Audit Commission. The annual CFaCT survey aims to provide a national picture of fraud, bribery and corruption in local government.

2 REPORT

- 2.1 Key findings of the Survey

The key findings of the 2019/ 2020 CIPFA Fraud and Corruption Tracker were:-

- An estimated £239 million of fraud has been detected or prevented across local authorities in 2019/20. This has dropped from £253 million in 2018/19.
- Council Tax Fraud has an estimated value of fraud £35.9m.
- The largest growing fraud area is housing tenancy with an estimated 60.1 million lost in 2019/20 compared to 47.7 million in 2018/19.
- The average value per fraud is around £5,090 per fraud case compared to 2018/19 that had an average value of £3,600.
- Procurement and council tax single person discount are perceived as the two greatest fraud risk areas.
- The four main areas of fraud (by volume) are – council tax, disabled parking, housing and business rates.

2.2 DDDC Fraud Prevention Measures

DDC takes the risk of fraud very seriously and has a range of measures in place to reduce the risk of fraud occurring.

- There is an established approach of a zero tolerance policy towards fraud which is set out in the Council's Anti – Fraud and Bribery and Corruption Strategy (including Money Laundering Policy) that was last approved by this Committee in September 2018. That strategy has been reviewed and updated and is awaiting the approval of this committee.
- There is an allowance for special investigations in the internal audit plan.
- The Internal audit plan covers the whole of the organisation.
- The Council participates in the National Fraud Initiative.
- Potential Council Tax Support frauds are investigated by council tax staff (housing benefit fraud is now dealt with by the DWP).
- There is a rolling program of discount exemption checks for council tax.
- Program of checks for benefits focusing on cases that are likely to have had changes to their income.
- Data matching processes with the DWP and HMRC.
- The Council has a Confidential Reporting Code (Whistleblowing Policy).
- The Council has a fraud risk register.
- Recruitment procedures ensure that checks are undertaken to prevent the council employing people working under false identities etc.
- The IT systems are Public Sector Network (PSN) compliant.
- Separation of duties in place.

3 RISK ASSESSMENT

3.1 Legal

There are no legal considerations arising from the report

3.2 Financial

There are no financial considerations arising from the report.

3.3 Corporate Risk

Raising the awareness of fraud issues amongst Members and employees helps to mitigate the risk and potential cost of fraud. The risk of fraud is ever present and an awareness of the key areas in which fraud usually takes place will help managers and members to be vigilant and ensure that controls are in place to mitigate the risks as far as possible.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

- 5.1 Karen Henriksen - Director of Resources
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- 5.2 Jenny Williams - Internal Audit Consortium Manager
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Email: jenny.williams@Chesterfield.gov.uk

6 BACKGROUND PAPERS

- 6.1 None.

7 ATTACHMENTS

- 7.1 Appendix 1: CIPFA Fraud and Corruption Survey Tracker Results 2020.

Fraud and corruption tracker

National Report 2020



**CIPFA COUNTER
FRAUD CENTRE**

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Foreword



As managers of public resources, every public sector organisation has a responsibility to fight fraud and corruption. Successful organisational efforts to prevent, identify and manage various types of financial crime not only strengthens the state of public finances, but also mitigates moral and reputational risks across the public sector. During times of unprecedented uncertainty, the importance of these principles cannot be overstated.



Rob Whiteman
Chief Executive, CIPFA

Each year, the CIPFA Fraud and Corruption Tracker (CFaCT) aims to provide a current national picture of public sector fraud and corrupt activity help local authorities identify and implement mitigating actions. The tracker's findings provide valuable insights that help counter fraud practitioners in local government better understand national trends and emerging risks. Our intention is that the tracker serves as a resource for both public sector organisations and citizens who are invested in, and engaged with, their local communities.

Although the information in this year's report does not capture the impact of the ongoing coronavirus pandemic, it does provide useful insight about the local government landscape in the period prior to the national response effort.

This publication forms part of CIPFA's commitment to support the public sector and promote the principles of good governance and strong public financial management. Not only do our findings offer insight on the fraudulent activities that occur across the UK's public sector organisations, but the survey also highlights the important role that counter-fraud protocols play in the fight against fraud and corruption.

Understanding ever-changing risks can help public sector professionals increase their individual awareness, collaborate more effectively with others in the sector and take tailored action to prevent illegal activity from growing in the public sphere.

The survey was supported by:



The CIPFA Counter Fraud Centre

The CIPFA Counter Fraud Centre (CCFC), launched in July 2014, was created to fill the gap in the UK counter fraud arena following the closure of the National Fraud Authority (NFA) and the Audit Commission, and the subsequent transfer of benefit investigations to the Single Fraud Investigation Service (SFIS), run by the Department for Work and Pensions (DWP). It was named in the UK Government's 2014 Anti-Corruption plan and in the 2017-22 Anti-Corruption strategy as having a key role to play in combating fraud and corruption. We provide a range of services and solutions that measurably impact the fight against fraud in the public sector, and are committed to helping organisations prevent, detect and recover financial loss; protecting their reputation and developing counter fraud skills.

Our annual CIPFA Fraud and Corruption Tracker (CFaCT) survey is the definitive survey of fraud and corruption activity in local government. It tracks the levels of fraud and corruption local authorities have detected, the number of investigations undertaken and the types of fraud encountered. Understanding where fraud losses are occurring – and the actions being taken to stem the flow – is essential to helping senior leaders across the public sector understand the value of counter fraud activity.



Acknowledgements

CIPFA would like to thank all the organisations that completed the survey along with those that helped by distributing the survey or contributing insights and best practices, including:

- LGA
- MHCLG
- NAO
- NCA
- SOLACE
- SLT
- Home Office
- The Fighting Fraud and Corruption Locally board

Introduction

CIPFA recognises that each pound lost to fraud represents a loss to the public purse and reduces the ability of the public sector to provide services to people who need them. According to the Annual Fraud Indicator 2017, which provides the last set of government sanctioned estimates, fraud costs the public sector at least £40.3bn annually, with £7.3bn of this total being lost in local government.

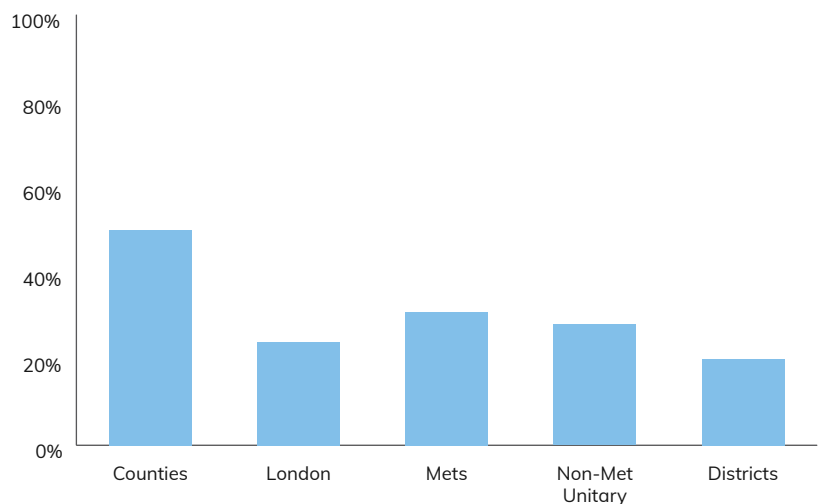
Fraud is a prevalent cause of concern in the public sector and continues to pose financial threats to local authorities. CIPFA's partners, such as the LGA, the NAO and Home Office, work towards new ways of finding solutions to the challenges that the public sector faces.

The sixth annual CIPFA Fraud and Corruption Tracker (CFaCT) survey was conducted in August 2020, with the aim of creating a national picture of the types and volume of fraud detected and prevented in local authorities. The results were collated from local authorities in all regions in the UK, allowing CIPFA to estimate the total figures for fraud across England, Scotland, Wales and Northern Ireland.

It should be noted that the response rate for the 2019/20 survey was significantly lower than previous years, which was to be expected, due to the impact of COVID-19 on local government resources. The figures mentioned in this report were captured in the time period before the pandemic and the data therefore represents what local authorities were experiencing before the COVID-19 outbreak.

Moreover, for each fraud breakdown, there was an additional option in this year's survey to record the 'overall number of cases identified' which may have included cases where fraud was not ultimately proven. The other option was to record the 'number of cases proven to be fraudulent' including cases where, following an investigation, action has taken place or a payment has been prevented and, on the balance of probabilities, fraud or corruption has

Response rate



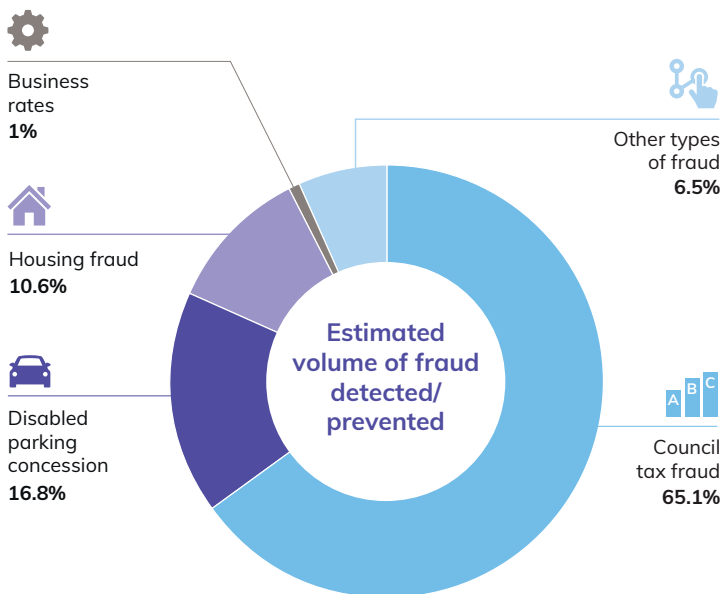
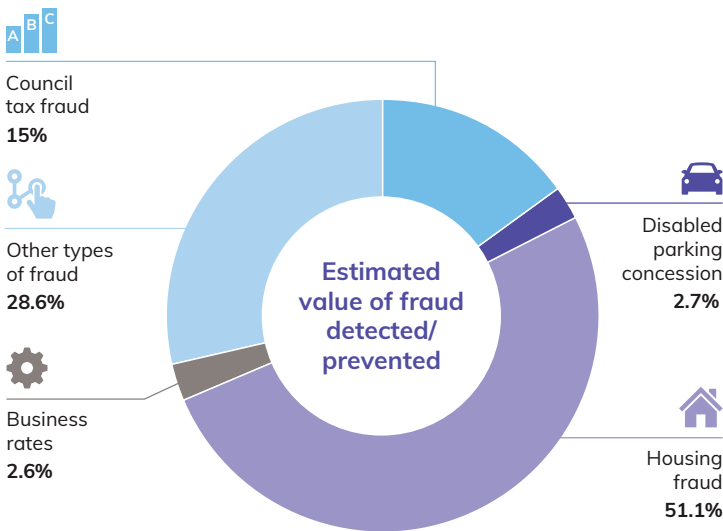
occurred. To enable comparisons with previous years' data, for consistency and the volumes mentioned refer to the number of cases proven to be fraudulent.

This report highlights the following:

- the types of fraud identified in the 2019/20 CFaCT survey
- the monetary cost value of fraud in 2019/20
- the impact of counter fraud and prevention activities to improve the public sector budget
- the emerging risks and threats impacting the fraud and corruption landscape.

Executive summary

For local authorities in the UK, CIPFA has estimated that the total value of fraud identified and prevented in 2019/20 is approximately £239.4m, which is an average value of £5,090 per fraud case. Last year, there was an estimated value of £253m with a lower average of £3,600 per case detected and prevented.



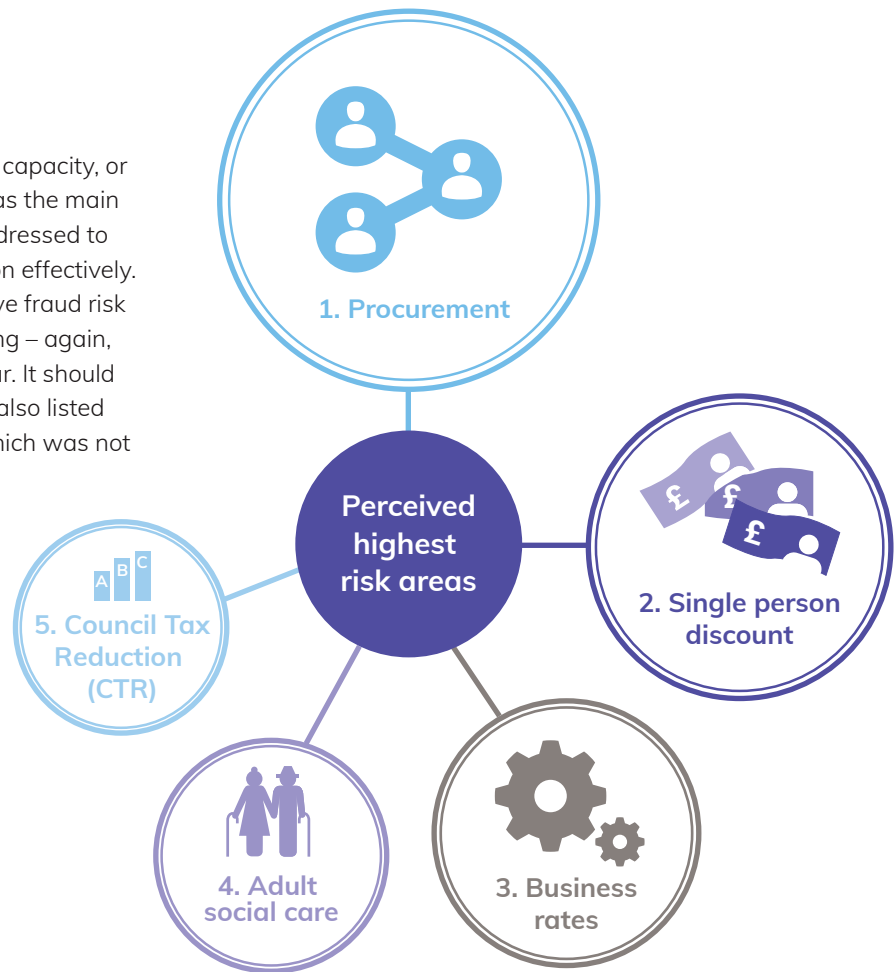
Councils reported that approximately 47,000 instances of fraud had been detected or prevented in 2019/20, which is lower than the approximation of 71,000 reported by CIPFA in 2018/19. Council tax fraud represents almost two thirds (65%) of these identified instances of fraud with an estimated value of £35.9m, followed by disabled parking concession (Blue Badge Scheme) and housing fraud which represent 17% and 11% of the total cases of UK public sector fraud, respectively.

This year, we also measured the impact of grant fraud (prior to the COVID-19 grant disbursement), which represents 0.3% of the total identified instances of UK public sector fraud and 15% of the total value (£36.6m).

The largest growing fraud area is housing tenancy (other), with an estimated £60.1m lost in 2019/20 compared to £47.7m in 2018/19. This is followed by council tax single person discount (SPD) which has an estimated increase of £9.6m to an estimated value of £29.0m for cases detected/prevented in 2018/19.

The two highest perceived fraud risk areas for 2019/20 are the same as last year: procurement and council tax SPD. This shows these are the areas that require strict controls and support. The perceived third, fourth and fifth highest fraud risk areas are business rates, adult social care and council tax reduction (CTR) respectively.

Survey results show that nationally, capacity, or sufficient counter fraud resource, was the main perceived issue that needs to be addressed to tackle the risk of fraud and corruption effectively. This was followed closely by effective fraud risk management and better data sharing – again, following the same trend as last year. It should be noted that multiple respondents also listed ‘increased awareness’, an option which was not originally considered in the survey. Results from respondents indicate that they expect to increase the number of counter fraud specialist staff by 5% in 2021.



Major fraud areas

For 2019/20, the CFaCT survey has shown that the four main areas of fraud (by volume) that local authorities are tackling are:

- council tax
- disabled parking (Blue Badge)
- housing
- business rates.

Council tax

Council tax continues to be the largest area of identified fraud in the last six years and is the top fraud risk area for district and unitary councils, 57% and 32% respectively. This is likely a result of the targeted effort by authorities to identify fraud that has a direct impact on their income. Data matching and analytic exercises continue to reap rewards and will continue to improve as authorities work smarter and use tools made available to them. The total number of council tax fraud cases identified by participating local authorities, which may not have ultimately proven to be fraudulent, was 24,105.

volume/low value area continues to be a leading trend each year, where there are many incidents of smaller value, requiring higher vigilance on a more frequent basis.

Since 2018/19, the estimated number of council tax cases proven to be fraudulent has decreased by 45%, while the estimated value has increased by £5.3m. This may be evidence that in proven cases offenders are less likely to reoffend. It may also be an indicator that fraud risk exercises continue to identify the high volume/low value frauds year on year, with more effort being focussed on the long-term offenders, or that more authorities are choosing to claw back fraudulent discounts from previous billing periods.

Since 2017/18, the cases pertaining to single person discount (SPD) have decreased yearly; there is a vast difference of 20,069 (46%) between the 2018/19 and 2019/20 volumes. Nonetheless, the money lost to SPD fraud has increased by £9.5m. The opposite is seen for council tax reduction (CTR) and other council tax-related fraud, where the values have decreased by £2.3m and £2.1m respectively.

Estimated council tax fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
SPD	46,278	£15.8m	44,051	£19.4m	23,982	£28.9m
CTR	8,759	£6.1m	8,973	£7.2m	3,845	£4.9m
Other	2,857	£4.5m	2,831	£4.0m	2,794	£1.9m
Total	57,894	£26.3m	55,855	£30.6m	30,622	£35.9m

Though the volume of cases proven to be fraudulent is significantly higher when compared to other fraud risk areas, Council tax does not represent the highest cumulative value amongst all surveyed types of fraud, estimated to total £35.9m. This high

The overall estimated value of council tax fraud has continued to increase, primarily due to the increase in the value of cases for SPD fraud detected in 2019/20.



Disabled parking (Blue Badge)

The survey identified fraud from the misuse of the Blue Badges scheme was one of the steadily increasing fraud risk areas. The estimated number of cases proven to be fraudulent has increased by 938, and the national estimated average value per case increased from £661 to £811 in 2019/20.

This indicates that though procurement, council tax SPD and adult social care are identified nationally as the three main fraud risk areas, Blue Badge fraud is an area of increasing risk and prominence.



Housing and tenancy fraud

In relation to housing fraud, councils record the income lost using different valuations, ranging from a notional cost of replacing a property to the average cost for keeping a family in bed and breakfast accommodation for a year. These differences in approach can make it hard to formulate clear comparisons. On a national scale, the value of fraud detected or prevented will be looked at in two ways:

- if the cases were pertaining to new build accommodation
- if the cases were pertaining to temporary accommodation.

If the cases were regarding new build accommodations, there would be an average of £150,000 per fraud case, in comparison to £18,000 if they were pertaining to temporary accommodation. This can be further explored by looking at the comparison by tier.

Before 2019/20, there was a steady decline of around 20% a year in the number of housing and tenancy related frauds detected or prevented. However, this year there was an increase of 37% overall.

While illegally sublet properties and right to buy frauds continue to fall year on year, the volume of other housing fraud such as succession and application fraud has increased significantly. This

is predominantly down to the continued efforts to review housing tenancies, including proactive exercises and conducting appropriate due diligence on applications.

Estimated housing fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Right to buy	1,518	£92.0m	652	£46.0m	584	£30.7m
Illegal sublet	1,051	£55.8m	826	£41.8m	605	£31.6m
Other *	2,164	£68.3m	2,154	£47.7m	3,802	£60.1m
Total	4,733	£216.1m	3,632	£135.6m	4,991	£122.4m

* Other includes tenancy frauds that are neither right to buy nor illegal sublet and may include succession and false applications.



Business rates

Business rate fraud represents 1.0% of the total estimated number of cases proven to be fraudulent in 2019/20. This represents a marginal decrease from the previous year's figure of 2.0% and is reflected in the fact that the estimated loss decreased from £8.0m in 2018/19 to £6.2m this year.

Nonetheless, it was recorded as the third highest fraud risk area on a national scale, as well as fourth highest specific to districts.

Other types of fraud

This part of the report examines the survey responses related to other notable frauds that did not emerge as major types of fraud within the national picture. This section includes the following fraud types:

- adult social care
- insurance
- procurement
- no recourse to public funds/ welfare assistance
- payroll, recruitment, expenses and pension
- economic and voluntary sector support and debt
- mandate fraud, manipulation of data and grant fraud.

Adult social care

Adult social care is viewed by survey respondents to be the fourth highest fraud risk area. Over the past year, the average value per adult social care fraud has decreased by £11k, following the trend seen in years prior to 2018/19.

Generally, the total volume and value of estimated fraud cases have decreased to 460 cases and £8.2m respectively, but the volume of personal budget frauds has increased by 30% in the past year. Nonetheless, the estimated value for personal budget frauds is £4.9m – lower than the estimated 2018/19 value.

Other fraud also showed a decline in the numbers of cases proven to be fraudulent.

Estimated adult social care fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Personal budget	334	£3.3m	234	£9.6m*	306	£4.9m
Other	403	£3.4m	246	£4.1m	154	£3.3m
Total	737	£6.7m	480	£13.7m*	460	£8.2m
Average value per fraud		£9k		£29k*		£18k

* Please note that this figure is made up predominantly of a handful of authorities and though it is not comparable, it shows the scope of fraud possible in this area.



Insurance fraud

This year's survey found an estimated number of 349 insurance fraud cases with a value of £3.9m. Since last year, the estimated insurance fraud case value has more than halved. However, the figure for 2019/20 is very similar to the estimated value from 2017/18 of £3.5m.

A respondent who identified insurance fraud also reported one confirmed insider fraud case with a

combined value of £9.2k – a significant drop from last year's combined value of £43k.

Considerable work has been done in the area of insurance fraud, and insurance companies are working with local authorities to develop new ways to identify fraud and abuse within the system, which seems to be effective given the steady decline in volume and value of cases reported.



Procurement fraud

For the fourth year in a row, procurement fraud was perceived to be the highest fraud risk area. This year, there was an estimated number of 87 prevented procurement frauds, with 8% of cases reported as insider fraud. This is a continued decline from 125 estimated fraudulent cases with a value of

£20.3m in 2018/19, and 142 cases with a value of £5.2m in 2017/18. It is widely accepted that procurement fraud continues to be the hardest type of fraud to detect, can be very high in value and difficult to prove.

On 8 June 2020, the Ministry of Housing, Communities and Local Government published a review into risks of fraud and corruption in local government procurement.

It reported that councils in England spend around £55bn a year on goods, work and services. A survey conducted as part of the review showed 23% of respondents reported fraud and/or corruption in the procurement lifecycle during the 2017 to 2018 financial year.

Estimated procurement fraud

2017/18		2018/19		2019/20	
Volume	Value	Volume	Value	Volume	Value
142	£5.2m	125	£20.3m*	87	£1.5m

* Please note this figure is attributable to mainly one organisation and though it is not comparable to other respondents, it shows the scope for fraud in this area.



Welfare assistance and no recourse to public funds

In 2019/20, the estimated number of fraud cases related to welfare assistance increased significantly to 307. Estimates for 2018/19 and 2017/18 approximated 24 and 109 cases respectively.

2019/20 saw the number of no recourse to public funds cases increase to an estimated figure of

193; the previous year's figure had declined to an estimated volume of 148, from a volume of 334 in 2017/18. This is mainly due to the reduction in the number of respondents who detected and prevented fraudulent activity in this area.



Economic and voluntary sector support and debt

There was only one economic and voluntary sector support fraud case reported by local authorities in this survey, with a value of £25,000. In the 2017/18 survey, there were 24 actual cases of fraud reported with an average estimated loss of £14,000 per case. These figures decreased in 2018/19, with six actual cases of fraud reported and an average value per fraud loss of £4,000.

The number of reported cases of debt has significantly dropped to just three, with a fraud loss of £82,600, in comparison with 53 reported in 2018/19 valued at over £495,000.



Payroll, expenses, recruitment and pension

The total value of fraud loss for all four areas in 2019/20 is an estimated £0.82m, a very significant decrease from 2018/19, where there was a total estimated loss of £9.42m. The inflated figure in

2018/19 is due to one incident of payroll fraud prevented by a local authority.

Measuring the cost of these frauds can be quite difficult as they carry implications that include reputational damage, the costs of further recruitment and investigations into the motives behind the fraud. As a result, some organisations could be less likely to investigate or report investigations in these areas.

Payroll had the highest volume of fraud out of these four areas (payroll, expenses, recruitment and pension) for each year since 2016/17. In 2019/20, the area with the highest estimated average per case was pensions with £13,278, followed by recruitment fraud with an estimated average per case of £4,797.

Estimated fraud

Type	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Payroll	167	£1.01m	168	£8.77m*	113	£0.30m
Expenses	34	£0.03m	32	£0.04m	69	£0.12m
Recruitment	52	£0.49m	33	£0.38m	16	£0.08m
Pension	164	£0.57m	153	£0.23m	24	£0.32m
Total	417	£2.10m	386	£9.42m*	222	£0.82m

* Please note this figure is attributable to mainly one organisation and though it is not comparable to other respondents, it shows the scope for fraud in this area.



Mandate and grant fraud

In 2019/20, CIPFA estimates that there have been 344 cases of mandate fraud across the UK, which is a slight increase from the estimate of 322 in 2018/19.

This year, an extra section for grant specific fraud was added to the survey. Overall, there was an estimated number of 161 grant frauds, with a fraud loss value of £36.6m. The additional fraud type was

included in this year's survey to separate reported figures from expense fraud, so we have some specifically reported grant fraud to compare with the 2020/21 results, when COVID-19 grant fraud will be reported.

Serious and organised crime

Organised crime often involves complicated and large-scale fraudulent activities which cross more than one boundary, such as payroll, mandate fraud, insurance claims, business rates and procurement. These activities demand considerable resources to investigate and require organisations to co-operate in order to successfully bring criminals to justice.

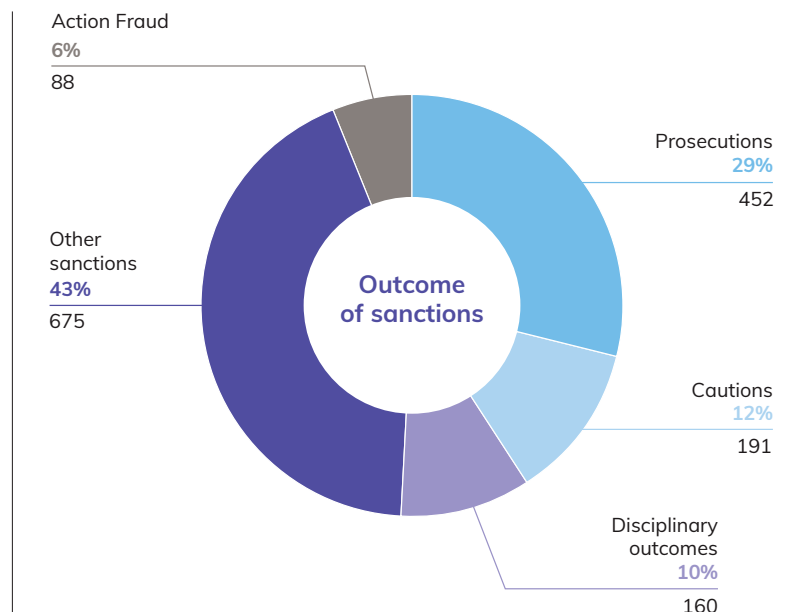
The responses show that councils share a significant amount of data both internally and externally, with 73% sharing data with the Cabinet Office/National Fraud Initiative, 52% sharing data with the police and 51% sharing data with their peers (other similar organisations).

In addition, of the organisations that responded, 35% identified serious and organised crime within their organisation's risk register and 52% reported that their counter fraud and corruption plan includes serious and organised crime risks.

Sanctions

The following shows some of the key findings from sanctions that were being used in 2019/20:

- 452 prosecutions were completed in 2019/20 and of those, 10 involved insider fraud. All these insider fraud cases were found guilty.
- The number of cautions as a proportion of the total sanctions reduced from 13% in 2017/18 to 7% in 2018/19 but increased to 13% again in 2019/20.
- The percentage of other sanctions increased from 46% in 2017/18 to 55% in 2018/19. Over the past year, this proportion decreased to 46% again.



Cyber fraud

Results from the CFaCT survey show that 82% of respondents underwent a cyber/e-fraud risk assessment during or after 2019/20. More than three quarters (78%) state that the IT team/Senior Information Risk Owner (SIRO) is responsible for the management of cyber risk in their organisation, matching last year's figure.

One third (32%) of respondents stated that their organisation had been a victim of hacking/ Distributed Denial-of-Service (DDOS) attacks in the last month, an increase of 5% over the past year.

In response to the threat of cyber-crime against local government, the LGA has set up a cyber security programme and a stakeholder group, working together to address the issues of cyber-crime.

The LGA programme received three years of funding from the National Cyber Security Programme (NCSP) in 2018 to support councils in remaining safe and secure from cyber-attacks and to have the appropriate arrangements in place to deal effectively with a cyber-incident should it occur, ie both prevention and response.

Whistleblowing

This year, 64% of respondents reported that they annually reviewed their whistleblowing arrangements in line with the [ISO 37002 "Whistleblowing Management Systems" guidelines](#).

Of those questioned, 85% confirmed that staff and the public had access to a helpdesk and 66% said that the helpline conformed to the ISO 37002 guidelines.

Respondents reported a total of 486 whistleblowing cases logged, made in line with the ISO 37002 *Whistleblowing Management Systems* guidelines.

This is an average of six cases logged per authority, which equals the 2018/19 figure. The majority of cases logged by respondents were in metropolitan districts.

Counter fraud structure

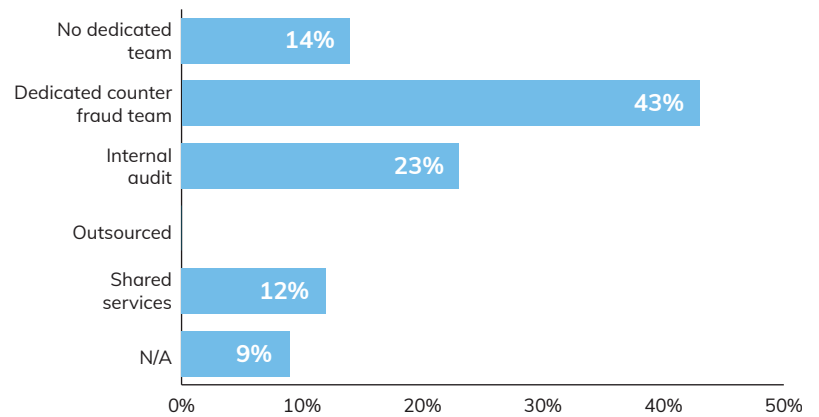
Fraud teams across local government continue to detect and prevent a significant amount of fraud, although having sufficient counter fraud resources is the main perceived issue that needs to be addressed to tackle fraud. Councils are responding to this and expect the number of counter fraud specialist staff to grow by around 5% in the next year, with a small increase of 3% in 2022.

In addition to the reductions in resources, having a shared services structure has decreased this year to 12%, in comparison with 19% of respondents who reported having a shared services structure in 2018/19.

There has been a slight increase in the proportion of authorities that have a dedicated counter fraud team, from 40% in 2018/19 to 43% in 2019/20. However, it is worth noting there may be a potential bias in this figure as those who have a dedicated counter fraud team are more likely and able to return data for the CFaCT survey.

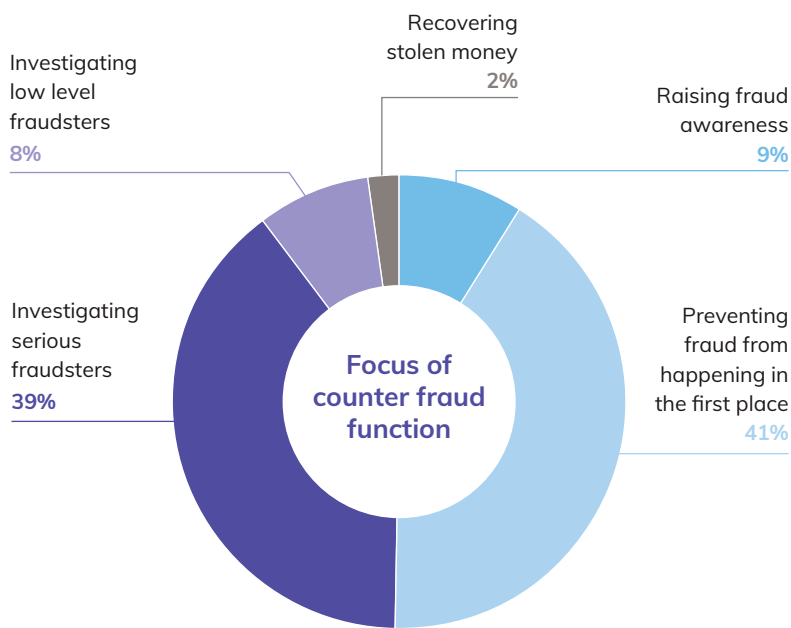
In 2019/20, the proportion of authorities that have available in-house qualified financial investigators was 24%. In addition, the percentage of authorities that have a non-DWP qualified financial investigator increased from 23% in 2018/19 to 27% in 2019/20. However, the proportion of authorities that do not have a qualified financial investigator available to their organisation has increased slightly from 43% last year to 44% this year, showing the potential strain on resources.

Counter fraud structure breakdown



Focus of counter fraud function

A new section was added to this year's survey, where local authorities were asked to identify the main priority of their counter fraud function.



The greatest proportion of respondents (41%) reported that the most important priority was 'preventing fraud from occurring in the first place' and the second most important was 'investigating serious fraudsters' with 39%. In comparison, the area that was seen to have the least importance, with no authorities listing this as a priority, was 'gathering intelligence'.

The other options included were recovering stolen money, investigating low level fraudsters and raising fraud awareness.

Joint working and data sharing

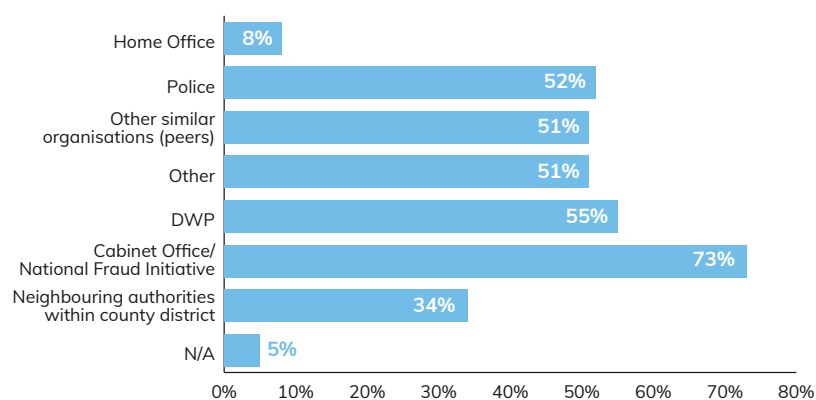
85% of survey respondents stated that they share data internally, mainly with housing, council tax and revenue and benefits departments.

Eighty two per cent of local authorities share data externally – a decrease of 14% since 2018/19. This data is mainly shared with Cabinet Office/National Fraud Initiative (73%), the DWP (55%), police (52%) or other authorities/similar organisations (51%).

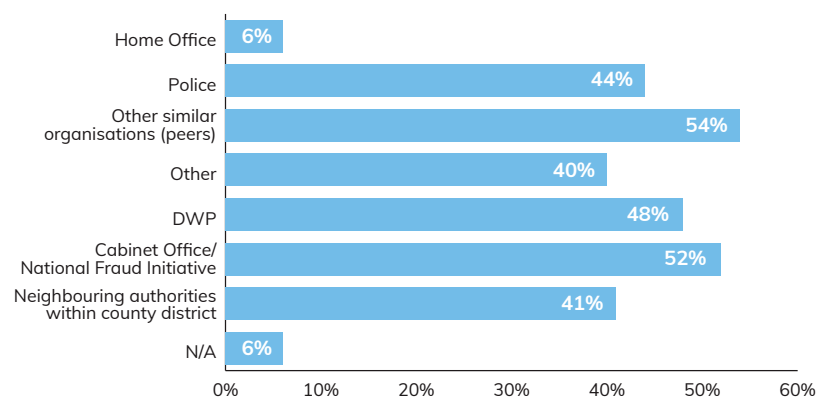
The sort of data that is shared relates to persons of interest, areas of interest and emerging frauds. Some authorities also highlighted that the data they share is for data matching purposes.

Of the CFaCT respondents, 54% say they work jointly with other similar organisations/peers, 52% work with the Cabinet Office/National Fraud Initiative, 48% with the DWP and 44% with the police. Further breakdown is shown in the charts to the right.

Share/exchange data with:

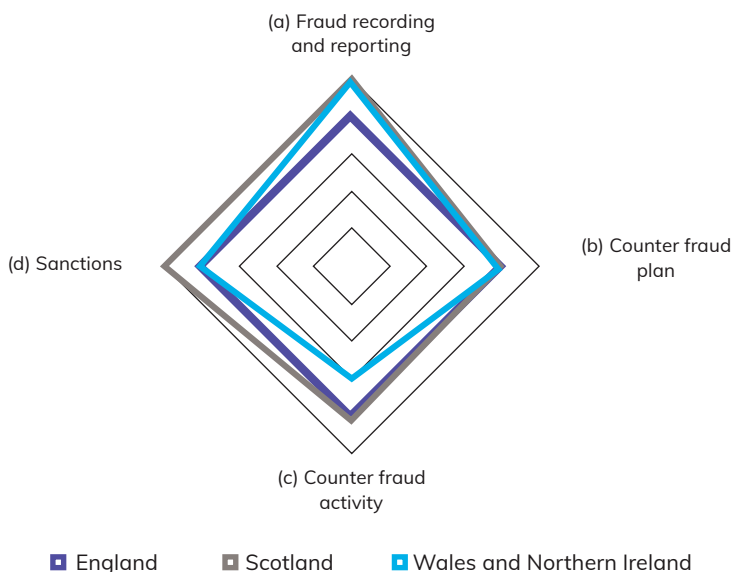


Work jointly with:



Fighting Fraud and Corruption Locally

The FFCL strategy 2016-2019, developed by local authorities and counter fraud experts, was the definitive guide for local authority leaders, chief executives, finance directors and all those with governance responsibilities for the period covered by this survey. The strategy has since been reviewed and replaced with the Fighting Fraud and Corruption Locally 2020 strategy. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top.



This strategy is available for councils to use freely so that everyone can benefit from shared good practice, and is aimed specifically at local authority leaders. It provides advice on how to lead and communicate counter fraud and corruption activity for the greatest impact, as well as covering resource management and investment in counter fraud operations.

To measure the effectiveness of the initiatives in the 2016-2019 strategy, the FFCL board included questions in the CFaCT survey and

the results are shown below. The questions ask respondents whether they agree or disagree that their organisation is carrying out certain actions, based on FFCL recommendations. The diagram to the left illustrates the results: lines closest to the outside edge indicate strong agreement while those towards the centre indicate disagreement.

For the 2019/20 survey, a few additional questions were added to this section, with regards to resources, staff and training.

When asked if their organisation secured appropriate training for fraud practitioners in line with agreed professional standards, for all types of investigation, a significant proportion (81%) of local authorities said they did.

More than two thirds (71%) of authorities employ staff who are suitably qualified and trained to undertake counter fraud investigations.

Respondents were also asked to select what they perceived to be the most important strategies for countering fraud in the future. Local authorities reported that 'managing evolving risks' and 'ensuring staff are trained' are the most important strategies. The additional strategies listed in the questionnaire were increased funding, leadership, technology and working in partnerships.

Impact of COVID-19

It should be noted that the CFaCT survey covers the pre-pandemic period of 2019/20 and therefore the data in this report represents what local authorities were experiencing before the outbreak in 2020. However, a qualitative question was added to the 2019/20 survey regarding the observed impact of COVID-19 on any fraudulent behaviours in local government. Key themes emerging from responses were:

- Instances of potential frauds involving empty properties where fraudsters were claiming to occupy with the intention of claiming business grants.
These included applications from those that traditionally would not have considered committing any fraud offences now feeling financially pressured to do so, owing to the downturn in the economy.
- Adult social care services being exploited during a time where resources are limited and usually robust assessments such as home visits not being possible due to health risks.
- Parents and carers of children in receipt of free school meals being targeted by fraudsters who email with messages to harvest bank details with a promise to help with funding while the school is closed.
- The risk of fraudsters impersonating key personnel in both the purchase and supply chain in an attempt to commit mandate fraud has significantly increased with staff predominantly working from home. It has become more difficult to validate supplier details while pressures to process payments at speed have increased, therefore usually robust controls are weakened.
- The inability of councils to tackle usual areas of fraud due to resources being re-directed into the processing and review of business grants associated with COVID-19. This has restricted the ability to tackle fraud face-to-face, including visits and interviews due to public health concerns and uncertainty over the legality of conducting remote interviews under caution.

Recommendations

CIPFA recommends

- The cumulative value of fraud prevented/detected by local authorities continues to decline year-on-year. Local authorities must remain vigilant and determined in identifying and preventing fraud, raising the awareness of fraud risk across all areas of service delivery and all levels of the organisation.
- This year's findings show that a dedicated counter fraud team remains the preferred method of delivery amongst respondents, and although there has been a slight reduction in the number of shared services reported, it remains important for organisations to work collaboratively with their neighbours and business partners, share resources, skills and best practice to effectively detect and prevent fraud.
- There has been a 14% reduction since 2018/19 in the volume of local authorities share data externally and only 73% of authorities sharing data with the Cabinet Office/National Fraud Initiative. Public sector organisations should maximise opportunities to share data where these initiatives are made available and explore and invest in additional innovative use of data sharing and fraud prevention technology, reducing the risk of loss through fraud.
- This year the majority of authorities reported fraud prevention as their main priority with none listing intelligence gathering at any level. Authorities should reconsider the value of intelligence in connection with identifying fraud risk, informing and focusing their planned activity and helping protect the organisation, therefore further preventing fraud.
- The level of whistleblowing allegations received this year remained constant with 2018/19 and 85% of authorities confirmed that staff and the public had access to a helpdesk. CIPFA recommends active publicity campaigns across all levels of the organisation to ensure staff are aware of whistleblowing procedures and accessibility to supporting services.
- Cyber security continues to increase in importance relative to the increase in remote working and electronic service application. Where controls need to be strengthened authorities should seek assistance from the LGA's cyber security programme stakeholder group.
- The new Fighting Fraud and Corruption Locally 2020 strategy has been released and councils are encouraged to review their working practices against the FFCL checklist, strengthening controls where weakness is identified.

Appendix 1: Fraud types and estimated value/volume

The table below shows the types of frauds reported in the survey and the estimated volume and value during 2019/20.

Types of fraud	Fraud cases	% of the total	Value	% of the total value	Average
Council tax frauds	30,622	65.4%	£35.9m	15.0%	£1,173
Disabled parking concession	7,889	16.8%	£6.4m	2.7%	£809
Housing frauds	4,991	10.7%	£122.4m	51.1%	£24,534
Business rates	476	1.0%	£6.2m	2.6%	£13,126
Other types of fraud	2,865	6.1%	£68.5m	28.6%	£23,890
Adult social care	460	1.0%	£8.2m	3.4%	£17,767
Insurance claim	349	0.7%	£3.9m	1.6%	£11,271
Mandate fraud	344	0.7%	£9.4m	3.9%	£27,227
Welfare assistance	307	0.7%	£0.2m	0.1%	£684
Schools frauds (excl. transport)	211	0.5%	£0.2m	0.1%	£1,174
No recourse to public funds	193	0.4%	£2.2m	0.9%	£11,132
Grant fraud	161	0.3%	£36.6m	15.3%	£226,997
Payroll	113	0.2%	£0.3m	0.1%	£2,629
Procurement	87	0.2%	£1.5m	0.6%	£16,696
Expenses	69	0.2%	£0.1m	0.1%	£1,743
Children's social care	40	0.1%	£0.4m	0.2%	£9,903
Pensions	24	0.1%	£0.3m	0.1%	£13,278
Recruitment	16	0.0%	£0.1m	0.0%	£4,797
Debt	11	0.0%	£0.3m	0.1%	£27,533
School transport	6	0.0%	£0.2m	0.1%	£32,750
Economic and voluntary sector support	4	0.0%	£0.1m	0.0%	£25,000
Investments	0	0.0%	na*	na*	na*
Manipulation of data	0	0.0%	na*	na*	na*

*The figures for investments and manipulation of data are not available as no responses were received and thus the amount is not representative of the national average. In addition, these figures are affected by few councils who had high value frauds not indicative of the national average.

Appendix 2: Methodology

This year's results are based on responses from 98 local authorities. An estimated total volume and value of fraud has been calculated for all local authorities in England, Wales, Scotland and Northern Ireland. Missing values are calculated according to the size of the authority and, for each type of fraud, an appropriate universal measure of size has been selected such as local authority housing stock for housing frauds.

From the responses, the number of cases per each unit of the measure is calculated and used to estimate the missing values. Then, for each missing authority, the estimated number of cases is multiplied by the average value per case provided by respondents to give an estimated total value. As an illustration, if the number of housing frauds per

house is 0.01 and a missing authority has 1,000 houses in its housing stock, we estimate the number of frauds as 10. If the average value per case is £100,000 then the total estimated value of fraud for that authority is £1m.

Appendix 3: Glossary

Definitions below are taken from CIPFA's CFaCT survey, AFI and other government sources.

Adult social care fraud:

Adult social care fraud can happen in a number of ways but the increase in personal budgets gives a greater opportunity for misuse.

Investigations cover cases where:

- direct payments were not being used to pay for the care of the vulnerable adult
- care workers were claiming money for time they had not worked or were spending the allocated budget inappropriately.

Blue Badge:

The Blue Badge is a Europe-wide scheme entitling holders of the permit to parking concessions. This scheme is locally administered and badges issued to those with disabilities so they can park nearer to their destination.

At present, a badge issued to a deceased person is classified as fraudulent, even if it is not being used for fraudulent purposes.

Business rates fraud:

Business rates fraud is not a transparent landscape for the fraud investigator, with legislation making it difficult to separate evasion and avoidance.

Business rate fraud may include the fraudulent applications for exemptions and reliefs and unlisted properties, and fraud staff may be used to visit properties in question.

Cautions:

Cautions relate to a verbal warning given in circumstances where there is enough evidence to prosecute, but it is felt that it is not in the public interest to do so in that instance.

Council tax fraud:

Council tax is the tax levied on domestic properties and collected by district and unitary authorities in England and Wales and levying authorities in Scotland.

Council tax fraud is split into three sections:

- **Council tax single person discount** – where a tenant claims to be the only adult resident to be eligible for a 25% discount when in fact other adults reside in the property.
- **Council tax reduction support** – where the council tax payer fails to declare their income correctly.
- **Other types of council tax fraud** – eg claims for exemptions or discounts to which the council tax payer has no entitlement.

Debt fraud:

Debt fraud includes fraudulently avoiding a payment of debt to an organisation, excluding council tax discount.

Disciplinary outcomes:

Disciplinary outcomes relate to the number of instances where as a result of an investigation by a fraud team, disciplinary action is undertaken, or where, a subject resigns during the disciplinary process.

Economic and voluntary sector (grant fraud):

This type of fraud relates to the false application or payment of grants or financial support to any person and any type of agency or organisation.

Housing fraud:

Fraud within housing takes a number of forms, including sub-letting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principle home, abandonment, and right to buy fraud.

Insurance fraud:

Insurance fraud includes any insurance claim that is proved to be false, made against the organisation or the organisation's insurers.

Mandate fraud:

Action Fraud defines mandate fraud as "when someone gets you to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation you make regular payments to, for example a subscription or membership organisation or your business supplier".

Manipulation of data fraud:

The majority of manipulation of data frauds relate to employees changing data in order to indicate better performance than actually occurred and staff removing data from the organisation. It also includes individuals using their position to change and manipulate data fraudulently or in assisting or providing access to a family member or friend.

No recourse to public funds:

No recourse to public funds prevents any person with that restriction from accessing certain public funds. A person who claims public funds despite such a condition is committing a criminal offence.

Organised crime:

The widely used definition of organised crime is one planned, co-ordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.

Payroll fraud:

Payroll fraud covers a wide range of areas such as ghost employees on the payroll, diversion of payments into fraudulent accounts, employees set up to receive higher salaries than they are entitled to by either grade or hours worked and false overtime claims.

Procurement fraud:

The procurement of goods and services often accounts for a significant proportion of an organisation's expenditure and is open to a wide range of potential fraud risks. This is because there are usually multiple individuals involved in a process who often do not work closely together: ie the person who wants something purchased does not always work directly with the people who initiate orders and with those responsible for paying.

This includes any fraud associated with the false procurement of goods and services for an organisation by an internal or external person(s) or organisations in the 'purchase to pay' or post contract procedure, including contract monitoring.

Recruitment fraud:

Recruitment fraud includes applicants providing false CVs, job histories, qualifications, references, immigration status (ie the right to work in the UK) or the use of a false identity to hide criminal convictions or immigration status.

Right to buy:

Right to buy is the scheme that allows tenants who have lived in their properties for a qualifying period the right to purchase the property at a discount. Fraud is committed when an applicant has made false representations regarding the qualifying criteria, such as being resident in the property they are purchasing for a 12 month continuous period prior to application.

Welfare assistance:

Organisations have a limited amount of money available for welfare assistance claims so the criteria for applications are becoming increasingly stringent. Awards are discretionary and may come as either a crisis payment or some form of support payment.

Whistleblowing:

Effective whistleblowing allows staff or the public to raise concerns about a crime, criminal offence, miscarriage of justice or dangers to health and safety in a structured and defined way. It can enable teams to uncover significant frauds that may otherwise have gone undiscovered. Organisations should therefore ensure that whistleblowing processes are reviewed regularly.

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Governance and Resources

1st July 2021

Report of the Director of Resources

STATEMENT OF ACCOUNTS 2020/21 – APPROVAL OF ACCOUNTING POLICIES

PURPOSE OF REPORT

To seek approval for the Accounting Policies used within Derbyshire Dales District Council's Statement of Accounts 2020/21, highlighting any changes from last year.

RECOMMENDATION

That the 2020/21 Accounting Policies be approved for use within the Statement of Accounts

WARDS AFFECTED

None

STRATEGIC LINK

The need to have robust and effective accounting policies is fundamental to the Council in ensuring that it has adequate financial management arrangements in place to enable it to achieve its priorities.

1 BACKGROUND

- 1.1 For the financial year 2020/21 the Council must publish its draft Statement of Accounts by the 31st July. It is best practise for the Audit Committee, or in the case of Derbyshire Dales District Council for the Governance and Resources Committee, to consider the Accounting Policies in advance of the production and publication of the Statement of Accounts.

2 REPORT

- 2.1 The Accounting Policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year end. They determine the specific principles, bases, conventions, rules and practices that will be applied by the Council in preparing and presenting its financial statements. The accounting policies are published within the Statement of Accounts document in accordance with the Code of Practice on Local

Authority Accounting and incorporate the requirements of International Financial Reporting Standards (IRFS).

- 2.2 This report therefore presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts for 2020/21.
- 2.3 Officers have assessed the accounting policies that are deemed necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2020/21. In undertaking this assessment a review of all accounting policies previously agreed has been undertaken to check their relevance, clarity, legislative compliance and that they are in accordance with the latest version of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting and IFRS requirements.
- 2.4 With regard to the policies proposed in respect of 2020/21, these are unchanged from previous years. As the Statement of Accounts for 2020/21 is prepared, it may be necessary to amend a policy in order to adopt a more appropriate accounting policy. If this occurs, the change and the reason for the change will be reported back to the Governance & Resources Committee at its next available meeting and / or will be highlighted within the report when the Statement of Accounts is presented to Members for approval. Full details of all the proposed accounting policies for 2020/21 are provided at Appendix 1.

3 RISK ASSESSMENT

3.1 Legal

Regulation 7 of the Accounts and Audit Regulations 2015 requires a local authority to prepare a Statement of Accounts in accordance with "proper practices in relation to accounts". As this report complies with best practice, the legal risk is assessed as low.

3.2 Financial

Compliance with the CIPFA Code of Practice and IFRS means that the financial risk is assessed as low.

4 OTHER CONSIDERATIONS

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

5 CONTACT INFORMATION

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6 BACKGROUND PAPERS

6.1 None

7 ATTACHMENTS

Appendix 1 – Accounting Policies.

Appendix 1

ACCOUNTING POLICIES FOR 2020/21 STATEMENT OF ACCOUNTS

a) General principles

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2020/21* (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Where figures disclosed in the Statement of Accounts have been rounded to the nearest £'000, there is the potential for rounding errors and minor inconsistency when cross referencing due to inter-dependencies across different disclosures. These have been minimised as far as reasonably possible, whilst ensuring the robustness of values carried forwards and disclosures within the Core Statements carrying prominence.

b) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

c) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts (if there is an overdraft) that are repayable on demand and form an integral part of the Council's cash management.

d) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

e) Charges to revenue for non-current assets

Services accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirements (equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance). Depreciation, revaluation and impairment losses or amortisations are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

f) Contingent liabilities

A contingent liability arises where an event has taken place that gives the council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed by way of a note to the accounts.

g) Council Tax and Non-Domestic Rates (NDR) income

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including Government for NNDR) ~~please note that for 2018/19 comparator figures this excluded government as the Council was part of a 100% rate retention pilot~~ and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and non-domestic rates. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and Non Domestic Rates (NDR)

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the year end balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

h) Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or other forms of leave such as flexi-time or time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the pay rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Authority can no longer withdraw the offer of those benefits. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination

benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

The Council's employees are part of the Local Government Pension Scheme, administered by Derbyshire County Council (the pension fund). The scheme provides defined benefits to members (in the form of retirement lump sums and pensions), earned as employees work for the Council.

- The liabilities of the Derbyshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit cost method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of **tbc%** (2.3% in 2019/20). The discount rate is based on the indicative rate of return on high quality corporate bonds.
- The assets of Derbyshire County Council pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.
- The change in the net pension liability is analysed into the following components.
 - **Service cost comprising:**
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
 - net interest on the net defined benefit liability i.e. net interest expense for the authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
 - **Re-measurement comprising:**
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Derbyshire County Council pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

i) Events after the balance sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of event can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes to the accounts of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

j) Financial instruments

The term ‘financial instrument’ covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives. At the present time this Council does not use an external fund manager.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at amortised cost. Annual charges to the Financing and Investment Income

and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective rate of interest is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principle and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measure at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The authority does not hold any financial assets at amortised cost requiring an expected credit loss to be applied. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations.

Financial Assets Measured at Fair Value through Profit of Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provision of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

And gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Loans and Receivables

Loans and receivables are recognised in the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement. The Council has not made any loans at less than market rates (soft loans).

k) Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

l) Government grants and other contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

m) Heritage Assets

The Council has a small number of heritage assets which are maintained for their historic value. Due to the lack of reliable historic information and lack of comparable data a meaningful value is not possible. Any future costs will be held on the balance sheet at historic cost. The Council's identified heritage assets include War Memorials and Churchyard Gates. These assets have indefinite lives and so are not depreciated. The Council has adopted a £25,000 de-minimis level for heritage assets and any assets identified below this level are not separately identified on the balance sheet and remain in their existing categories.

n) Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating

Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

o) Inventories and long term contracts

Inventories are included on the Balance Sheet at the lower of cost and net realisable value, calculated separately for each category of inventory. The cost of inventories is assigned using the First In, First Out costing formula.

The Council does not have any trading activities that generate income from long-term contracts.

p) Investment property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain in the Comprehensive Income and Expenditure Statement. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

q) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

The Authority does not grant any finance leases for property, plant and equipment.

Operating Leases

Where the Authority grants an operating lease over a property or an item or plant or equipment, the asset is retained in the Balance Sheet. Rental Income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. where a premium paid at the commencement of a lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

r) Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

s) Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence in an active market of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
- The council has a £10,000 de minimis gross cost limit and does not recognise items below this threshold.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to

the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been

chargeable on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. These receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment (or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement)). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

t) Provisions

Provisions are made where an event has taken place that gives the council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Statement of Income and Expenditure in the year that the council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet. Estimated settlements are reviewed at the end of each financial year – where

it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

u) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and these do not represent usable resources for the council. Such reserves are explained in the relevant accounting policies.

v) Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

w) Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

x) Interests in Companies and Other Entities

Derbyshire Dales District Council does not have any material interests in companies or other entities that have the nature of subsidiaries, associates and jointly controlled entities. Therefore, the Authority has not prepared group accounts.

y) Fair Value Measurement

The authority measures some of its non-financial assets such as investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or

- b) in the absence of a principal market, in the most advantageous market for the asset or liability

The authority measures the fair value of an asset or liability using the assumptions that the market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances for which sufficient data is available, maximising the use of observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted process (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

Governance and Resources Committee

1st July 2021

Report of the Director of Resources

ANNUAL GOVERNANCE STATEMENT 2020/21

PURPOSE OF REPORT

The Annual Governance Statement gives the Council an opportunity to reflect and report publicly on the extent to which it has complied with its own code of governance and to describe any governance issues, including how they will be addressed. For 2020/21 this includes the significant impact of coronavirus on governance for 2020/21 and for 2021/22 to date.

This report seeks approval for the Annual Governance Statement for 2020/21, which is consistent with the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government”, and meets the requirements of the Accounts and Audit Regulations 2015.

RECOMMENDATION

1. That the Annual Governance Statement for 2020/21 is approved.
2. That the significant governance issues and the action plan to address them, along with the impact of coronavirus on the Council’s governance, be noted.

WARDS AFFECTED

None

STRATEGIC LINK

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

1 REPORT

- 1.1 Confidence in public sector governance is of critical importance given the significant investments by the government and council tax payers in local services. The Annual Governance Statement (AGS) should not be seen as a dry financial requirement, but as an important public expression of what the Council has done to put in place good business practice, high standards of conduct and sound governance.
- 1.2 Councils face intense pressure to deliver unprecedented funding cuts, organisational change and innovation in service delivery while meeting public demands for greater

transparency in decision-making and performance. The [International Framework: Good Governance in the Public Sector](#) (CIPFA/IFAC, 2014) defines governance as follows:

- Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

The International Framework also states that:

- To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.
- Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

- 1.3 Effective governance is essential if senior officers and members are to meet these exacting challenges. Ironically though, those processes that ensure good governance are at risk from the conflicting demands for reduced spending and a re-prioritisation of resources. Councils must produce an AGS published with the annual accounts to report publicly on how they have complied with their governance code and describe any governance issues, and explain how they will be addressed.
- 1.4 The Accounts and Audit Regulations 2015 require local authorities to conduct a review of its system of internal control at least once a year, and, following that review, to publish an annual governance statement prepared in accordance with proper practices in relation to internal control.
- 1.5 The Annual Governance Statement for 2020/21 takes account of guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) relating to the impact of the continuing Covid-19 pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework). It also takes into account the introduction of the CIPFA Financial Management Code 2019 (FM Code) during 2020/21.
- 1.6 The CIPFA guidance is particularly relevant for the annual review of the system of internal control and publication of the Annual Governance Statement (AGS) that are requirements under the regulations issued by the national governments of the UK1.
- 1.7 At the end of November 2020 CIPFA issued a guidance note – Head of Internal Audit Annual Opinion: Addressing the Risk of a Limitation of Scope (Appendix 4). A limited scope opinion should be given if sufficient work has not been completed to be able to provide the relevant assurances. This should not be confused with an adverse opinion which is given if procedures and processes are inadequate. There is no formula to determine what constitutes sufficient work to give an unlimited opinion, this is left up to professional judgement. A limited scope opinion should be reflected in the Annual Governance Statement.
- 1.8 The Annual Governance Statement for 2020/21 is attached at Appendix 1. It is consistent with the 2016 CIPFA/SOLACE publication “Delivering Good Governance in Local Government” and the recent CIPFA guidance. The layout of the Annual

Governance Statement reflects the layout of the Council's Code of Corporate Governance and the CIPFA/SOLACE guidance.

- 1.9 In accordance with proper practice, the Annual Governance Statement must be signed by the Leader of the Council and by the Chief Executive, who must be satisfied that the document is supported by reliable evidence and accurately reflects the Council's governance arrangements. The role of the Governance & Resources Committee is to be satisfied that the Annual Governance Statement properly reflects the risk environment and any actions required to improve it, and to demonstrate how governance supports the achievements of the authority's objectives.
- 1.10 The Annual Governance Statement describes the key elements of the governance framework and the process that has been applied in maintaining and reviewing the effectiveness of the governance framework. Section 5 of the AGS describes the impact of coronavirus on governance for 2020/21 and for 2021/22 to date and Section 7 of the AGS identifies the following **five** significant governance issues and provides an action plan to show how they will be addressed:
 - a. There is a budget gap for future years as identified in the Medium Term Financial Plan;
 - b. Arrangements for asset management need to be strengthened;
 - c. Arrangements for mandatory training should be improved;
 - d. Improvements are required in our data protection arrangements;
 - e. Internal audit resources have been insufficient to complete the internal audit plan.

2 RISK ASSESSMENT

2.1 Legal

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

2.2 Financial

The financial risk arising from this report is low.

2.3 Corporate Risk

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

3 OTHER CONSIDERATIONS

- 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

- 4.1 Karen Henriksen, Director of Resources, Telephone: 01629 761284;

Email: karen.henriksen@derbyshiredales.gov.uk

5 BACKGROUND PAPERS

- 5.1 Accounts and Audit Regulations 2015
- 5.2 DDDC Code of Corporate Governance September 2015
- 5.3 CIPFA/SOLACE Statement “Delivering Good Governance in Local Government: Framework – 2016 Edition”.
- 5.4 CIPFA discussion document – Head of Internal Audit Annual Opinions: Addressing the Risk of Limitation of Scope.

6 ATTACHMENTS

- 6.1 Appendix 1 – Annual Governance Statement 2020/21 **TO FOLLOW**

THE APPENDICES TO THIS REPORT ARE EXEMPT FROM PUBLICATION UNDER LOCAL GOVERNMENT ACT 1972 SCHEDULE 12A SECTION 1, 2 AND 3

Governance and Resources Committee
1st July 2021

Report of the Director of Resources

FURTHER WRITE OFFS RELATING TO BACKDATING OF COUNCIL TAX BILLS FOR PROPERTIES IDENTIFIED IN DATA MATCHING EXERCISE

PURPOSE OF REPORT

This report seeks approval for the write off of individual debts arising from council tax backdating cases where the amount requested for write off in each case exceeds £10,000, in accordance with the Council's Financial Regulations.

RECOMMENDATION

1. That the amount of write off for case 1 set out in Appendix 1 is determined.
2. That the amount of write off for case 2 set out in Appendix 1 is determined.
3. That the amount of write off for case 3 set out in Appendix 1 is determined.

WARDS AFFECTED

None

STRATEGIC LINK

None

1 EXEMPT REPORT

1.1 The appendices to this report are considered exempt under the Local Government Act 1972 Schedule 12A sections:

- sc1 - Information relating to any individual
- sc2 - Information likely to reveal the identity of an individual
- sc3 - Information relating to the financial or business affairs of any particular person

- 1.2 The main content of this report is not exempt, however each appendix refers to an individual financial information and personal details that is exempt from disclosure.
- 1.3 By placing the information in the appendices, it allows for the main report to remain non-exempt and avoids the need for individual exempt report.

2 BACKGROUND

- 2.1 The Council has a legal duty to collect Council Tax from properties in its area. To ensure that all properties are included on the council tax and business rates systems there is an ongoing process of reconciliation between these systems and data from the Valuation Office Agency (VOA) database.
- 2.2 In January 2021, the Committee approved write offs exceeding £10,000 for four backdating cases. This report covers the remaining three cases.
- 2.3 In July 2019, a report that was presented to Council explained that a data matching exercise had been undertaken to match properties on the council tax system with those on Local Land and Property Gazetteer (LLPG) system. The report explained that the exercise revealed a number of properties that were not on the council tax data base and had not been billed for council tax. Council agreed an approach to deal with any mismatches identified by the data matching exercises.
- 2.4 In July 2019, Council approved the following approach to backdated liabilities:
 - a) That the Head of Resources determines the relevant period for backdating each case, based on the following criteria:
 - 1) Can the liable person be identified?
 - 2) Are they deceased with no assets to pay the debt?
 - 3) Have they absconded and can't be traced?
 - 4) Is the debt uncollectable due to other legislation like bankruptcy or insolvency?
 - 5) Is the account is uneconomical to collect?
 - 6) Does the Council Tax or NNDR payer own the property or other assets that could cover the debt?
 - 7) For Council Tax debts, does the payer qualify for council tax support, state benefits or pension credit (i.e. do they have sufficient income to pay the backdated liability or would it cause hardship)?
 - 8) Is there any entitlement to discounts or reliefs?
 - 9) Are they from a vulnerable group such as those who have been relocated within the District after fleeing domestic abuse?
 - 10) What is the payer's knowledge of the system? (For example, they might have moved from abroad and did not know they had a Council Tax liability to pay or, on the other hand, they might have lived here all their lives and knew that they had to pay but didn't chase a bill).
 - 11) For Council Tax payers, is there evidence of a long-term serious health condition? (Such debts could be written off or enforcement suspended until the person has recovered).
 - 12) Evidence from the payer of where and how they would suffer prejudice if the Council backdates the bill.
 - 13) Could there be possible job losses if backdated NNDR is claimed?

Depending upon individual circumstances, it is recommended that a reasonable period

(no more than five years) be allowed to settle the outstanding liability.

- 2.5 In approving the approach in July 2019, Council agreed to “delegate authority to the Head of Resources by way of amendment to Financial Regulation B7 (a) to write off of any amounts of council tax or non-domestic rates not exceeding £5,000 per case that the above approach deems non-collectable.” The write off limit for the Director of Resources was increased to £10,000 when revised Financial Regulations were approved in May 2020.
- 2.6 No adverse comments were received from the Citizens Advice Bureau and their suggestions for improvement were taken into account in developing procedures.
- 2.7 An equalities impact assessment relating to these cases was prepared in January 2021 and this has been taken into account for the cases covered in this report. This is attached to the report as Appendix 2, for Members to consider when determining the outcome of these cases.

3 REPORT

- 3.1 There have been considerable delays in gathering the information that is required to assess these cases in the depth that is required. This has been exacerbated since workloads and pressures have increased due to the coronavirus pandemic.
- 3.2 A questionnaire was developed to gather information from occupiers of the properties concerned, and to give them an opportunity to explain their circumstances and any mitigating factors. Some recipients engaged fully with the Council (and began to pay ongoing council tax liabilities as soon as they became aware of their liability); other recipients failed to respond to initial correspondence.
- 3.3 The second and final set of cases for Members to determine is now shown in Appendix 1.
- 3.4 Best practice is that the Council should raise accurate backdated bills i.e. backdated to the date that the VOA determines the properties should have come onto the council tax system. Officers have identified the liable person(s), where possible, and determined what discounts and reliefs applied during that period (where possible) before seeking approval to write off any remaining balances for previous financial years so that backdated bills are reduced accordingly.

4 RISK ASSESSMENT

4.1 Legal

The Council has an obligation to collect Council Tax.

The limitation on the time the Council can recover a council tax debt only runs from the date the bill was served. However, regulations also state that the Council Tax Demand Notice (the bill) “is to be served as soon as practicable. If the Council did not know about a property for a period of time, then we could not have reasonably served until the Council became aware of it, thus the Council can go back a number of years to recover the unpaid Council Tax.

Where the bill has not been served “as soon as practicable” the Council must consider whether this has “occasioned some procedural or substantive prejudice” to the council tax payer. Further, the Council should also conduct a balancing exercise between the “public interest” (i.e. the duty to collect council tax) and the “injustice caused” to the tax payer by the delay.

Where the Council has failed to bill for these promptly in a financial year and is seeking a back dating of arrears, the Council must consider the impact of this action on the debtor personally and the wider community before taking enforcement action as well as the likelihood of being able to recover such sums.

4.2 Financial

Any amounts not authorised for write off will be billed to occupiers.

The recommended write offs do not include any amounts due in respect of 2021/22.

The Council has established a provision for doubtful debts relating to council tax arrears. The balance on the provision as at 1 April 2021 is £457,293. The amounts recommended in this report total £77,904.74 and are within the balance on the provision. If they were not covered by the provision, the costs would ultimately be shared between the District Council and major preceptors, with the District Council bearing around 14% of the cost.

The financial risk is assessed as “medium”.

5 OTHER CONSIDERATIONS

- 5.1 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.

6 CONTACT INFORMATION

Karen Henriksen - Director of Resources,
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Email: karen.henriksen@derbyshiredales.gov.uk

7 BACKGROUND PAPERS

None

8 ATTACHMENTS

Appendix 1 – List of cases (Confidential – not for public release)

Appendix 2 – Equality Impact Assessment – Write offs relating to backdating of council tax bills for properties identified in data matching exercise

Derbyshire Dales District Council Equality Impact Assessment

Write offs relating to backdating of council tax bills for properties identified in data matching exercise

1. Outline

Title of policy, practice, service or function being assessed	Write offs relating to backdating of council tax bills for properties identified in data matching exercise
Officers conducting assessment	Karen Henriksen, Elizabeth Wilson
Date of assessment	January 2021
Reason for assessment	To acknowledge and strengthen the EIA considerations detailed in previous reports As good practice and to identify any further considerations that need to be addressed
What is the purpose of this policy, practice, service or function? (specify aims and objectives)	To develop a consistent approach and fair process to deal with the mismatches identified by data matching exercises relating to Council Tax and Non Domestic Rates, including the approach to write offs of arrears relating to such cases.
Are there any other organisations involved in its implementation?	The council tax system is currently administered by Arvato but that arrangement is due to expire on 17 January 2021. It will be administered by Chesterfield Borough Council under a Service Level Agreement from 18 January 2021. While the decision to write off (or not) is made by Derbyshire Dales District Council; the write off and revised bills will be implemented by Arvato / CBC.

<p>Main customer groups (beneficiaries) / stakeholders</p>	<p>Council tax and NNDR payers occupying the properties with backdated liabilities.</p> <p>While the decision to write off (or not) is made by Derbyshire Dales District Council (as Billing Authority), the cost of council tax write offs is shared amongst major preceptors. However, as these council tax and NNDR liabilities have not been billed in prior years, the write offs would make no actual difference to the preceptors' previous years' accounts; the cost is of income forgone. Major preceptors were consulted prior to the policy being approved in July 2019.</p>
<p>Customer Groups</p> <p>Residents of Derbyshire Dales whose properties were not recorded on Council Tax records BUT were recorded on the Local Land and Property Gazetteer (LLPG) system, and thus liable for CT</p>	<p>Other stakeholders</p> <p>Residents of Derbyshire Dales who could benefit from any extra funding the Council receives as a result of identifying properties and contacting owners and collecting the council tax or business rates</p> <p>The Citizens Advice Bureau was consulted in 2019 and the approach was amended to reflect their feedback.</p> <p>Other equality interest groups.</p>
<p>Which other District Council departments are affected by the policy, practice, service or function? Do any of the objectives directly support or hinder another activity?</p>	<p>Corporate Services – The elections team work closely with CT to identify properties where council tax is not paid</p> <p>Finance – reduction in costs involved in recovering CT, possible income if monies are recovered</p> <p>All - As income from council tax and NDR funds all services, all departments are affected.</p>

2. Assessing relevance to the general equality duty

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

3. What existing information / data do you have / monitor about different diverse groups in relation to this policy, practice, service or function?

Eg: previous EIA's, reports, consultation, surveys, demographic data etc.

Information / Data	When and how collected	Source	What it tells you	Gaps
Derbyshire Dales Equalities Profile (available national and local data) via intranet: https://www.derbyshiredales.gov.uk/images/documents/E/Equalities%20Profile%20-%20Derbyshire%20Dales.pdf	Census 2011 - national survey of all households National statistics	ONS DWP NOMIS ONS	Analysis of key demographic data relating to protected groups	
Derbyshire Dales Equality Information published on	Census 2011	ONS	Summary profile of Census 2011 data	

Information / Data	When and how collected	Source	What it tells you	Gaps
<p>website: http://www.derbyshiredales.gov.uk/your-council/equalities/equality-information</p> <p>Information on the protected characteristics of the people who access this policy</p>	Monitoring data collected by services (in-house and outsourced)	DDDC	<p>Equalities monitoring data</p> <ul style="list-style-type: none"> - employees - customer satisfaction with services <p>Details of protected characteristics e.g. age, health issues, financial situation.</p>	
	From questionnaire sent to occupiers of backdated liabilities	Affected residents / businesses		

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

Protected groups	Positive effects of writing off debt	Negative effects if debt is applied	Improvement actions
Age	Elimination of debt to DDDC, reduce stress, improve credit rating for debtors	Potential impact (stress) on some older residents with low fixed incomes (Council tax support can only be backdated by six months); fear of homelessness and prosecution. Increased poverty. Those who have recently been bereaved and have limited	Support and debt advice is available to residents in the District

Protected groups	Positive effects of writing off debt	Negative effects if debt is applied	Improvement actions
		experience of managing their own financial affairs may be a mitigating factor.	
Disability or long term ill health Physical disabilities, sensory impairments, limiting long-term illnesses, learning disabilities or mental health issues	Elimination of debt to DDDC, reduce stress, improve credit rating	If attempts to collect the debt are made it could lead to a worsening of physical and mental health, as well as increase poverty and deprivation if person has a low income	Support is available for affected customers who require alternative communication formats Support and debt advice is available to residents in the District
Race / ethnic groups	Elimination of debt to DDDC, reduce stress, fear of deportation. They may have been unaware of UK CT – paying future CT would improve credit rating	Inability to pay, increased deprivation, fear of deportation or losing citizenship	Support is available for affected customers with identified language barriers Support and debt advice is available to residents in the District
Women or men	Elimination of debt to DDDC, reduce stress, improve credit rating.	Stress, loss of credit rating, poverty. Men and women who have fled domestic abuse; national evidence shows that women are more likely to have been	Support and debt advice is available to residents in the District

Protected groups	Positive effects of writing off debt	Negative effects if debt is applied	Improvement actions
		affected than men.	
Sexual orientation	Elimination of debt to DDDC, reduce stress, improve credit rating	Stress, loss of credit rating, poverty	Support and debt advice is available to residents in the District
Religion or belief (including non-belief)	Elimination of debt to DDDC, reduce stress, improve credit rating	Stress, loss of credit rating, poverty	Support and debt advice is available to residents in the District
Transgender (including people planning to or going through gender reassignment)	Elimination of debt to DDDC, reduce stress, improve credit rating	Stress, loss of credit rating, poverty	Support and debt advice is available to residents in the District
Pregnancy and maternity (including maternity and paternity leave)	Elimination of debt to DDDC, reduce stress, improve credit rating, preserve income	Stress and worry that may affect the health of the unborn child, reduced income may affect mothers' diet and welfare., and in turn affect the baby	Support and debt advice is available to residents in the District
Marital status (including civil partnership & same sex marriage)	Elimination of debt to DDDC, reduce stress, improve credit rating	Increased stress, reduced income, potential for domestic violence to worsen or be triggered	Support and debt advice is available to residents in the District

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

Other factors	Positive effects	Negative effects	Improvement actions
Rural areas			
Poverty / deprivation	Writing off debts will reduce stress, and help improve credit ratings. People can be helped to access financial support to pay current CT.	Potential impact on some residents with low and/or fixed incomes. Attempts to collect debt will add to more stress affecting mental health and are likely only to recover small amounts. Paying even small amounts may lead to more deprivation. Some people may become homeless as they have no resources to pay with	The proposed policy includes a criterion re: an individual's qualification for council tax support, state benefits or pension credit. Depending upon individual circumstances, it is recommended that a reasonable period (no more than five years) be allowed to settle the outstanding liability. Access to support and debt advice is available to residents in the District
Employment	Wiping out a debt may enable an employer to retain staff, rather than reducing their workforce just to pay the CT debt. It may allow a self-employed person to continue working rather than become insolvent.	Redundancy for employees, insolvency of sole owners/self employed	
Health condition	Removing a debt reduce stress	Worsen impact of health	If payment is required, it

Other factors	Positive effects	Negative effects	Improvement actions
[temporary]	which will aid health recovery	condition	could be delayed until the individual is well again
Vulnerable people e.g. people fleeing domestic violence	Reduce stress, improve credit rating, less of a paper/online trail that could identify a victim and put them in danger again	A paper/online trail that could assist in identifying the location of a victim and put them in danger again	

5. Consultation and engagement

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

The Council sought legal advice before setting the policy in July 2019 and was required to consult major preceptors. The Citizens Advice Bureau was consulted in 2019 and the approach was amended to reflect their feedback. The Chartered Institute of Public Finance and Accountancy (CIPFA) says that it is good practice to identify debts that are unlikely to be paid and to account for them in the accounts as soon as possible. The report concerns individuals whose right to privacy would be broken if consulted on specifically.

6. Commissioned / outsourced services

If your policy, practice, service or function is partly or wholly provided by any external organisation / agency,	Yes
If yes, please list any contractual or other arrangements which aim to ensure that the provider promotes equality and diversity (eg: <i>monitoring data</i>)	Arvato are responsible for collecting council tax and business rates. This contract expires on 17 January 2021 and the service will be delivered by Chesterfield Borough Council from 18 January 2021. Contractors are required to have appropriate equalities policies in line with the Council's Procurement Equalities Policy: https://www.derbyshiredates.gov.uk/your-council/policies-plans-a-strategies/procurement-equalities-policy

7. Improvement Plan

Key issues identified	Actions
Potential adverse impacts identified: <ul style="list-style-type: none"> • Age • Disability & long term ill health • Sex/gender Low and/or fixed income	Mitigating actions have been addressed within the policy, as part of the assessment criteria; any individuals identified through application of these criteria will be assessed on a case by case basis

Signed: K Henriksen_13/01/2021 Elizabeth Wilson 13/01/21 (Completing Officers)