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For assistance in understanding or reading this document or specific information about this Agenda or on the "Public Participation" initiative please call the Committee Team on 01629 761133 or

e-mail: [committee@derbyshiredales.gov.uk](mailto:committee@derbyshiredales.gov.uk)

10 November 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, 18 November 2021 at 6.00pm** in the **Council Chamber, Town Hall, Matlock DE4 3AG**.

Yours sincerely,

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

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](mailto:committee@derbyshiredales.gov.uk) of any apologies for absence and substitute arrangements.

### 2. APPROVAL OF MINUTES OF PREVIOUS MEETING

30 September 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 email) **BY NO LATER THAN 12 NOON OF THE WORKING DAY PRECEDING THE MEETING**. As per Procedural Rule 14.4 at any one meeting no person may submit more than 3 questions and no more than 1 such question may be asked on behalf of one organisation.

### 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.

		<b>Page No.</b>
<b>6</b>	<b>EXTERNAL AUDIT COMPLETION REPORT FOR YEAR ENDED 31 MARCH 2021</b>	<b>04 - 44</b>
	To note External Auditor's "Audit Completion Report for the year ended 31 March 2021."	
<b>7.</b>	<b>LETTER OF REPRESENTATION 2020/21</b>	<b>45 - 51</b>
	To endorse signing of the draft Letter of Representation.	
<b>8.</b>	<b>STATEMENT OF ACCOUNTS 2020/21</b>	<b>52 - 59</b>
	To consider approval of the Statement of Accounts for 2020/21.	
<b>9.</b>	<b>REVISED 2021/22 INTERNAL AUDIT PLAN</b>	<b>60 - 65</b>
	To note a report on the original 2021/22 Plan being unachievable and consider approval of the revised Internal Audit Plan for 2021/22.	
<b>10.</b>	<b>ASSET MANAGEMENT PLAN – LAND HOLDINGS REVIEW PHASE 3</b>	<b>66 - 74</b>
	To consider a report seeking approval that the freehold transfer of Site 1 is renewed/transferred as a Community Asset Transfer and that Site 2 is declared surplus to requirements and offered for sale by private treaty or public auction, on the terms outlined in Appendix 1. Also to note that the disposal of Site 1 (either by lease or freehold transfer), comprises an undervalue transaction permitted under the General Disposal Consent 2003 and that each party will bear their own legal costs in respect of Site 1 and the District Council's legal and surveyors' costs in respect of Site 2, will be met either directly or by way of a buyers' premium.	

- |     |  |                  |
|-----|--|------------------|
| 11. | <b>DDDC TENNANTS – PROPOSED RENT FREE PERIODS</b>  | <b>75 - 77</b>   |
|     | To consider a report seeking approval for the provision of retrospective rent free periods/rent reductions for District Council commercial tenants, at an estimated cost of £10,842, whose trading was either curtailed or prevented under national regulations due to COVID-19 during the Spring of 2021.   |                  |
| 12. | <b>STARKHOLMES ALLOTMENTS</b>  | <b>78 - 83</b>   |
|     | To consider a report on a request made by Starkholmes Allotment Association for the compulsory purchase of the current site, seeking approval that the request be declined. Also to consider approval, that the decision to undertake a Community Asset Transfer of land to Matlock Town Council (resolution 2 of Minute Number 135/21), be paused and reconsidered at a later meeting of the Governance and Resources Committee, once further public consultation has been concluded by Matlock Town Council. |                  |
| 13. | <b>TREASURY MANAGEMENT ANNUAL REPORT FOR 2020/21</b>   | <b>84 - 95</b>   |
|     | To note the Treasury Management Annual Report for 2020/21 and the out turn Prudential Indicators for 2020/21.  |                  |
| 14. | <b>TREASURY MANAGEMENT MID-YEAR REPORT 2021/22</b>   | <b>96 - 106</b>  |
|     | To note the Treasury Management Mid-Year Report for 2021/22.   |                  |
| 15. | <b>COMMUNICATIONS AND MARKETING STRATEGY</b>   | <b>107 - 130</b> |
|     | To note the strategic framework of the current Communications and Marketing Strategy and consider approval of the Action Plan for 2021.  |                  |

Members of the Committee – Councillors: Jacqueline Allison, Robert Archer, Sue Bull, David Chapman (Vice Chairman), Paul Cruise, Tom Donnelly (Chairman), Steve Flitter, Helen Froggatt, Dawn Greateorex, 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.

Governance & Resources Committee  
18 November 2021

Report of the Director of Resources

## **EXTERNAL AUDIT COMPLETION REPORT FOR YEAR ENDED 31 MARCH 2021**

### **PURPOSE OF REPORT**

This report summarises the key findings arising from the external auditor's work in relation to the Authority's 2020/21 financial statements.

### **RECOMMENDATION**

That the External Auditor's "Audit Completion Report for the year ended 31 March 2021" is noted.

### **WARDS AFFECTED**

None

### **STRATEGIC LINK**

None

### **1 BACKGROUND**

- 1.1 Members are requested to note the report of the external auditors prior to approving the Council's Statement of Accounts.
- 1.2 The usual statutory deadline for the completion of audit is 31<sup>st</sup> July. For the 2020/21 financial statements the deadline was extended to 30 September 2021 due to the impact of the coronavirus pandemic.
- 1.3 As reported to this committee in September, due to resource constraints on both sides, there was a delay in the completion of the external audit of the Statement of Accounts by Mazars LLP, meaning that the deadline of 30<sup>th</sup> September 2021 was missed. This is by no means unusual this year; Public Sector Audit Appointments (PSAA) recently announced that "As at the target date of 30 September 2021 only 9% of local government bodies' 2020/21 audits have been completed."

### **2 REPORT**

- 2.1 The Council's external auditors, Mazars, have issued their Audit Completion Report for the year ended 31 March 2021 covering the 2020/21 accounts. A copy of the report is shown at Appendix 1; the external auditor has requested that it be brought to Members' attention.

## 2.2 The key issues in the audit completion report are:

- subject to the satisfactory completion of the outstanding work the external auditors anticipate issuing an unqualified audit opinion, without modification, on the Authority's financial statements;
- the external auditors anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources;
- the external auditors have not yet received group instructions from the National Audit Office in respect of their work on the Council's Whole of Government Accounts (WGA) submission. They are unable to commence work in this area until such instructions have been received;
- No questions or objections have been received from electors.
- Audit work has provided the assurance sought and has not identified any material issues to bring to Members' attention. There is no indication of management override of controls;
- The report contains three Internal Control Recommendations. These are level 3 (low level) recommendations, which have been accepted by management;
- The audit of the accounts identified one misstatement, which was accepted by management and the Statement of Accounts was adjusted to correct it. This related an error in the accounting treatment of fixed assets, which amounted to £9.8m. Further information is set out on page 21 of the Audit Completion Report (Appendix 1) and in the report on the Statement of Accounts 2020/21, elsewhere on the agenda for this meeting.
- There are two unadjusted material misstatements, relating to the valuation of an investment and to the pension fund valuation. Further details of these are provided on page 22 of the Audit Completion report (Appendix 1) and in the report on the Letter of Representation elsewhere on the agenda for this meeting;
- Seven disclosure amendments were required (amendments to the notes to the accounts). The auditor identified six amendments that were required to disclosures in the Statement of Accounts; council officers identified a further issue. The Statement of accounts has been amended accordingly. Further information is set out on page 23 of the Audit Completion report (Appendix 1) and in the report on the Statement of Accounts 2020/21, elsewhere on the agenda for this meeting.
- The external auditor has not identified any matters that would require the issue of a public interest report.

2.3 The work to support the external auditor's 2020/21 conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources ('Value For Money conclusion') has been delayed. Work has now commenced and the outcome is expected to be reported to the Committee in January 2022.

## **3 RISK ASSESSMENT**

### 3.1 Legal

There are no legal risks arising from this report.

### 3.2 Financial

There are no financial risks arising from this report.

## 4 OTHER CONSIDERATIONS

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

4.2 No detailed climate change impact assessment is required on reporting outcomes/outputs.

## 5 CONTACT INFORMATION

- 5.1 Karen Henriksen, Director of Resources  
Telephone: 01629 761284  
Email: [karen.henriksen@derbyshiredales.gov.uk](mailto:karen.henriksen@derbyshiredales.gov.uk)
- 5.2 Paul Frith, Financial Services Manager  
Telephone: 01629 761214  
Email: [paul.frith@derbyshiredales.gov.uk](mailto:paul.frith@derbyshiredales.gov.uk)

## 6 BACKGROUND PAPERS

6.1 None

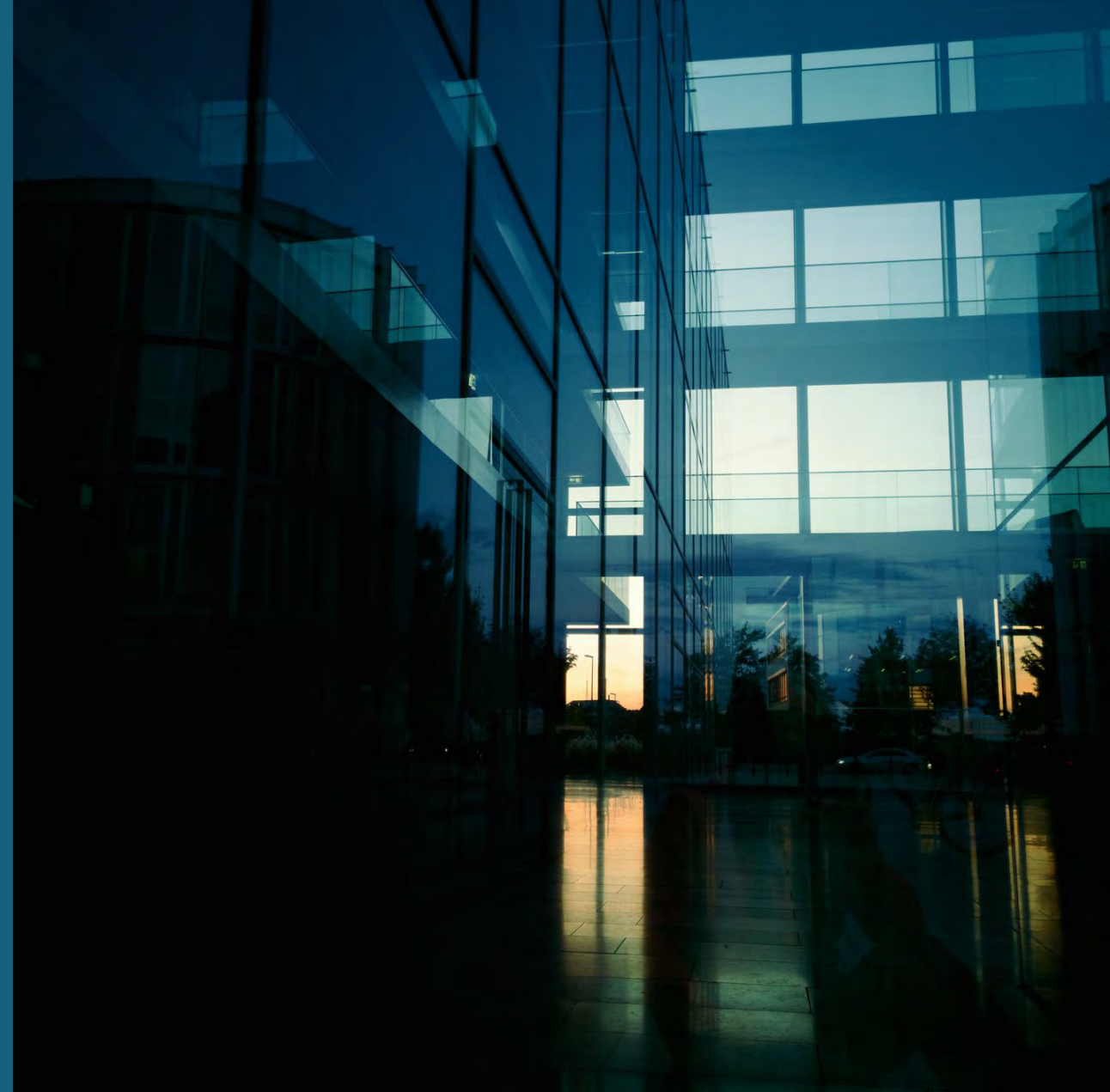
## 7 ATTACHMENTS

Appendix 1 – “Audit Completion Report for the year ended 31 March 2021” from Mazars

# Audit Completion Report

Derbyshire Dales District Council  
Year ended 31 March 2021

November 2021



# Contents

- 01 Executive summary
- 02 Status of the audit
- 03 Audit approach
- 04 Significant findings
- 05 Internal control recommendations
- 06 Summary of misstatements
- 07 Value for Money

- Appendix A: Draft management representation letter
- Appendix B: Draft audit report
- Appendix C: Independence
- Appendix D: Other communications

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.



Governance and Resources Committee Members  
Derbyshire Dales District Council  
Town Hall  
Bank Road  
Matlock  
Derbyshire  
DE4 3NN

Mazars LLP  
The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF

15 November 2021

Dear Committee Members

## Audit Completion Report – Year ended 31 March 2021

We are pleased to present our updated Audit Completion Report for the year ended 31 March 2021.

The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 11 March 2021. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07896 684771.

Yours faithfully



Gavin Barker

Mazars LLP

# 01

## Section 01: **Executive summary**

# 1. Executive summary

## Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2020/21 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Property, plant and equipment valuation; and
- Defined benefit pension liability valuation.

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; there was one adjusted misstatement and there are two unadjusted misstatements. Section 7 outlines our work on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

## Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2021.

At the time of preparing this report, a few matters remaining outstanding as outlined in section 2. If necessary we will provide an update to you in relation to the matters outstanding by issuing a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions.



### Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



### Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



### Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. We are unable to commence our work in this area until such instructions have been received.



### Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. No questions or objections have been received.






# 02

## Section 02: **Status of the audit**

## 2. Status of the audit

Our work is nearly complete; there are currently no matters of which we are aware that would require modification of our audit opinion, subject to completion of work in the areas detailed below.

Audit area	Status	Description of the outstanding matters
Completion work		Completion of a few elements of our work, including aspects of our cash testing.
WGA		We are awaiting group instructions from the National Audit Office. This may impact on the timing of issuing our audit certificate to formally conclude and close the audit.
Closing procedures		Review of the updated financial statements and consideration of any post balance sheet events.



Likely to result in material adjustment or significant change to disclosures within the financial statements.



Potential to result in material adjustment or significant change to disclosures within the financial statements.



Not considered likely to result in material adjustment or change to disclosures within the financial statements.

# 03

## Section 03: **Audit approach**

### 3. Audit approach

#### Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in March 2021. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

#### Materiality

Our provisional materiality at the planning stage of the audit was set at £675k using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the final financial statements is £680k, using the same benchmark.

#### Use of experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We have used available third-party information to challenge the key valuation assumptions. Furthermore, no changes have been made to the planned approach as outlined in the Audit Strategy Memorandum.

Items of account	Management's expert	Our expert
Property valuations	Valuer appointed by the Council	
Defined benefit pension liability	Hymans Robertson Actuary for the Derbyshire Pension Fund	NAO's Consulting Actuary (PwC)
Financial instruments	Arlingclose Treasury management advisors	

#### Service organisations

At the planning stage we did not identify any service organisations which impact on the production of the financial statements. This remains the case at the completion stage.



# 04

## Section 04: **Significant findings**



# 4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 13 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year; and
- any significant difficulties we experienced during the audit.

## Significant risks

Management	Description of the risk
override of controls	In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.
How we addressed this risk	
We addressed this risk through performing audit work over:	
<ul style="list-style-type: none"><li>• Accounting estimates impacting amounts included in the financial statements;</li><li>• Consideration of identified significant transactions outside the normal course of business; and</li><li>• Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.</li></ul>	
Audit conclusion	
Our audit work has provided the assurance we sought and has not identified any material issues to bring to your attention. There is no indication of management override of controls.	

# 4. Significant findings

Valuation of property, plant and equipment	Description of the risk
	<p>The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council's holding of property, plant and equipment (PPE). Although the Council uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. We have therefore identified the valuation of PPE to be an area of significant risk.</p>
	<p><b>How we addressed this risk</b></p> <p>We addressed this risk by considering the Council's arrangements for ensuring that PPE values are reasonable and reviewed third party data to assess the reasonableness of the valuations provided by the external valuer. We will also assessed the competence, skills and experience of the valuer.</p> <p>We discussed methods used with the valuer and examined supporting information. We used indices provided by our own expert to confirm the assets not revalued are unlikely to have materially changed in value. We tested revaluations in year to valuation reports and supporting calculation sheets and re-performed the calculations to ensure that they were correct and source data was accurate. We also considered the impact of COVID-19 on the valuations to gain additional assurance on their reasonableness.</p>
	<p><b>Audit conclusion</b></p> <p>Following audit challenge the valuer removed the material valuation uncertainty disclosure regarding property valuations from the valuation reports. If this had not been done, the Council would have had to include that disclosure in its financial statements and we would have been required to include an emphasis of matter paragraph in our audit report. The removal of this disclosure by the valuer meant that neither of these actions were needed. We have not identified any other valuation issues to bring to your attention.</p>

Valuation of Net Defined Benefit Pension Liability	Description of the risk
	<p>The 2020/21 financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.</p>
	<p><b>How we addressed this risk</b></p> <p>We discussed with key contacts any significant changes to the pension estimates. In addition to our standard programme of work in this area, we evaluated the management controls you have in place to assess the reasonableness of the figures provided by the actuary and considered the reasonableness of the actuary's output, referring to an expert's report on all actuaries nationally.</p> <p>We reviewed the appropriateness of the key assumptions included within the valuations, compared them to expected ranges and reviewed the methodology applied in the valuation. We considered the adequacy of disclosures in the financial statements.</p> <p>We have also sought and obtained assurance from the audit of the Derbyshire Pension Fund regarding the pension estimates involved.</p>
	<p><b>Audit conclusion</b></p> <p>Our work has provided the assurance sought. Our work at the Derbyshire Pension Fund did however indicate a non-material difference between the valuation information supplied to the actuary and the updated valuations in the revised accounts of Derbyshire Pension Fund. We have outlined this matter on page 20 of this report.</p>

# 4. Significant findings

## Qualitative aspects of the Council’s accounting practices

We have reviewed the Council’s accounting policies and disclosures and concluded they comply with the 2020/21 Code of Practice on Local Authority Accounting, appropriately tailored to the Council’s circumstances.

Draft accounts and supporting working papers were received from the Council on 30 July 2021 before the start of our rescheduled audit work and were of a reasonable quality, however the Council identified that its initial upload of the draft accounts had some issues with regard to the links pulling through which meant some working paper tables were reflected in the draft accounts. It was agreed that an updated set of draft accounts would be uploaded to the Council’s website on 31 August to correct this. The original draft accounts remain on the Council’s website to retain transparency.

As the updated financial statements were available before our audit commenced, we carried out our audit work on the updated statements rather than the original ones. It should be noted that there were no significant differences between the two versions.

## Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.



# 4. Significant findings

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2020/21 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No questions or objections have been raised.



# 05

Section 05:

**Internal control recommendations**

# 5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal controls or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal controls we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the categories in the table opposite.

Our work this year has identified 3 issues to bring to your attention.

## Follow up of previous internal control points

We raised 2 internal control points in the prior year. An update on these matters is detailed on page 18.

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0
2 (medium)	In our view, there is a need to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.	0
3 (low)	In our view, internal controls should be strengthened in these additional areas when practicable.	3

# 5. Internal control recommendations

## Other deficiencies in internal control – Level 3

### Description of deficiency

#### Controls in place in regard to the preparation of the leases note

The incorrect working paper was used when creating the draft financial statements extract for leases (note 38), this resulted in incorrect figures being included in the draft accounts. This resulted in the draft accounts figure for operating leases as lessor being £626k overstated.

#### Potential effects

Risk of error in relation to the disclosure made.

#### Recommendation

Management should review and strengthen its controls relating to the preparation of the leases note.

#### Management response

Accepted.

### Description of deficiency

#### Controls in place in regard to the preparation of the grants note

Non Domestic Rates (NDR) was overstated in the draft accounts in Note 35. Capital grants disclosed in Note 12 were not disclosed in Note 35. Note 35 was reviewed for consistency with Note12. Note 35 NDR has been changed in the updated accounts from £12,312k to £5,922k and Capital grants (not previously disclosed) added as £1,495k. The total credited to Tax and Non specific Grant Income in Note 35 has been amended to £11,454k.

#### Potential effects

Risk of error in relation to the disclosure made.

#### Recommendation

Management should review and strengthen its controls relating to the preparation of the grants note.

#### Management response

Accepted.

# 5. Internal control recommendations

## Other deficiencies in internal control – Level 3

### Description of deficiency

Controls in place in regard to the preparation of the officers’ remuneration note for non-senior officer employees paid over £50k

Three non-senior officer employees paid over £50k were omitted from the disclosure in Note 34.

### Potential effects

Risk of error in relation to the disclosure made.

### Recommendation

Management should review and strengthen its controls relating to the preparation of the officers’ remuneration note.

### Management response

Accepted.



# 5. Internal control recommendations

## Follow-up on previous internal control points - Level 3

### Description of deficiency

#### Controls in place in regard to the accuracy of remuneration information

During our 2019/20 testing we identified that a car lump sum allowance was shown as a 'benefit in kind' and not in 'Salary, fees and allowances'.

### Potential effects

Risk of error in relation to the disclosure made.

### Recommendation

Management should review and strengthen its controls relating to the preparation of the remuneration note.

### 2020/21 update

The 2020/21 remuneration information was prepared correctly and similar issues were not encountered.

### Description of deficiency

#### Controls in place in regard to the preparation of the leases note

During our 2019/20 testing we concluded there was some residual prior year information left in the spreadsheet used to calculate the leases note in error, this required a £634k reduction to the leases note which management actioned.

### Potential effects

Risk of error in relation to the disclosure made.

### Recommendation

Management should review and strengthen its controls relating to the preparation of the leases note.

### 2020/21 update

The 2020/21 leases note was not prepared correctly and similar issues were encountered.

Executive summary	Status of audit	Audit approach	Significant findings	Internal control recommendations	Summary of misstatements	Value for Money	Appendices
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# 06

Section 06:

## **Summary of misstatements**

# 6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £20,000. As the Council identified some spreadsheet associated errors in the original published statements and provided an updated version of its draft accounts on 31 August 2021, we have undertaken our audit work on the updated version. As a result there are no adjusted misstatements to be reported as a result of this matter and there are no other adjusted misstatements impacting on the Council's overall financial position to report. There are, however, some adjustments in relation to a technical accounting issue and this is explained in the table below.

There were two unadjusted misstatements in the updated version of the accounts above the trivial threshold, and these are set out on the following page.

## Adjusted misstatements

		Comprehensive Income and Expenditure Statement / Movement in Reserves Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: MIRS – Adjustment to Unusable Reserves via Fixed Assets	9,800		0	
	Cr: CIES – Net Cost of Services		9,800		0
<p>As part of its preparation of the 2020/21 accounts, officers identified some anomalies in capital accounting entries relating to the fixed assets register. As these were historic anomalies and it was not possible to trace exactly when they occurred, the accounts were amended to correct the errors in 2020/21 in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The entries made corrected the balances on the Capital Adjustment Account and the Revaluation Reserve, both of which are unusable reserves and do not impact on the real resources held by the Council.</p> <p>At audit, we identified an error in the processing of the corrections. The balances were not impacted by the error, but a net figure of £9.8m charged to the CIES needed to be reversed and processed through the MIRS as an adjustment. The accounts have been updated to correct this error. The corrections run through a number of sections of the accounts, as highlighted on page 23.</p>					
Total adjusted misstatements		9,800	9,800	0	0

# 6. Summary of misstatements

## Unadjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Investments – LAMIT Property Fund	47		47	
	Cr: Note 9 Adjustments/MIRS statement/Reserves		47		47
The Council understated the up to date fair value of its investment in the LAMIT Property Fund. As this error is below materiality the Council does not intend to update its accounts in this regard. This approach is not unreasonable.					
2	Dr: Other Long Term Liabilities (Pensions)			294	
	Cr: Unusable Reserves (Pensions)				294
Our work at the Derbyshire Pension Fund indicated a difference between the valuation information supplied by the actuary (and used in Derbyshire Dales District Council's accounts) and the updated valuations in the revised accounts of Derbyshire Pension Fund of £24.6m representing a 0.43% increase in the fund value. The Council's share of this increase is approximately £294k. This adjustment is nothing to do with the Council's arrangements, and reflects a change in value based on updated information between estimates made by the actuary and the final year end assets performance. We are required to report this adjustment as it is above the trivial threshold. However, as this difference is below materiality and not reflected in a formal updated actuarial valuation report the Council does not intend to update its accounts in this regard. In our view, this approach is reasonable, given that it does not have a material impact and would require significant additional work to amend the accounts.					
Total unadjusted misstatements		47	47	341	341

# 6. Summary of misstatements

## Disclosure amendments

During our review of the updated version of the financial statements we identified 6 amendments that were required to disclosures in addition to the spreadsheet associated errors in the original published statements. The Council identified a further issue and has made the amendments required:

- A clarification was made to the Narrative Statement to explain the movement in pension liabilities.
- Note 8 – this note details expenditure and income by nature. The Council identified that it had incorrectly mapped the Other Government Grants account code 9099 to Income from Council Tax and NDR instead of to Government Grants and Contributions. Whilst this had no overall impact and doesn't affect any other part of the Statement of Accounts Note 8 was updated by the Council to correct this issue.
- Note 31 – External audit costs, was updated to reflect the latest fee information.
- Note 34 – this note details officers' remuneration. Three non-senior officer employees paid over £50k were omitted from the disclosure in Note 34.
- Note 35 – this note was reviewed for consistency with Note 12. Differences were noted and the Council has amended its figures. NDR changed from £12,312k to £5,922k and Capital grants (not previously disclosed) was detailed as £1,495k. The total credited to Tax and Non specific Grant Income in Note 35 became £11,454k.
- Note 38 - an incorrect working paper was used when creating the draft financial statements extract for leases, this resulted in the figure for operating leases as lessor being £626k too high.
- Corrections relating to the Capital Adjustment Account and the Revaluation Reserve (summarised on page 21) impact throughout the statements and have been corrected:
  - Comprehensive Income and Expenditure Statement;
  - Movement in Reserves Statement;
  - Expenditure and Funding Analysis;
  - Cash Flow Statement;
  - Note 7 – Expenditure Funding Analysis;
  - Note 8 – Expenditure and Income analysed by nature;
  - Note 9 – Adjustments between accounting basis and funding basis under regulations;
  - Note 13 – Property, Plant and Equipment;
  - Note 25 – Unusable Reserves; and
  - Note 26 - Cash Flow Statement.



# 07

## Section 07: **Value for Money**

# 7. Value for Money

## Approach to Value for Money

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We currently plan to issue the Auditor's Annual Report before the end of December 2021.

## Status of our work

We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2021. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the Council's arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the Council's arrangements. As noted above, our commentary on the Council's arrangements will be provided in the Auditor's Annual Report which we plan to issue before the end of December 2021.



# Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications



# Appendix A: Draft management representation letter

From:

Karen Henriksen CPFA  
Director of Resources  
Derbyshire Dales District Council  
Town Hall  
Matlock  
Derbyshire  
DE4 3NN

To:

Mr Gavin Barker  
Director  
Mazars LLP  
The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF

Date: 18 November 2021

## Derbyshire Dales District Council - audit for year ended 31 March 2021

This representation letter is provided in connection with your audit of the financial statements of Derbyshire Dales District Council for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

### My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the statement of accounts in accordance with the Code.

### My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;



# Appendix A: Draft management representation letter

- additional information that you have requested from me for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Resources that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

## Accounting records

I confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and Committee meetings, have been made available to you.

## Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider them appropriate for the year.

## Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

## Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date. There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code.

## Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Executive summary	Status of audit	Audit approach	Significant findings	Internal control recommendations	Summary of misstatements	Value for Money	Appendices
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# Appendix A: Draft management representation letter

## Fraud and error

I acknowledge my responsibility as Director of Resources for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
  - - management and those charged with governance;
  - - employees who have significant roles in internal control; and
  - - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

## Related party transactions

I confirm that all related party relationships, transactions and balances (including sales, purchases, loans, transfers, leasing arrangements and guarantees) have been appropriately accounted for and disclosed in accordance with the requirements of the Code. I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

## Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

## Charges on assets

All the Council's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

## Future commitments

We have no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

## Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Executive summary	Status of audit	Audit approach	Significant findings	Internal control recommendations	Summary of misstatements	Value for Money	Appendices
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# Appendix A: Draft management representation letter

**Going concern**

I confirm that I have carried out an assessment of the potential impact of the COVID-19 Virus pandemic on the Council, including the impact of mitigation measures and uncertainties and I am satisfied that the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that the Council will cease to continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

**Unadjusted misstatements**

I confirm that there are no unadjusted misstatements above the reporting threshold of £510,000.

[PLEASE ATTACH AN APPENDIX SETTING OUT THE UNADJUSTED MISSTATEMENTS]

Yours sincerely

Director of Resources

Date.....



# Appendix B: Draft audit report

## Independent auditor’s report to the members of Derbyshire Dales District Council

### Report on the audit of the financial statements

#### Opinion on the financial statements

We have audited the financial statements of Derbyshire Dales District Council (“the Council”) for the year ended 31 March 2021, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Statement of Cash Flows, notes to the financial statements including a summary of significant accounting policies and the Collection Fund. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 31<sup>st</sup> March 2021 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Resources’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Resources with respect to going concern are described in the relevant sections of this report.

#### Other information

The Director of Resources is responsible for the other information. The other information comprises the other information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



# Appendix B: Draft audit report (continued)

We have nothing to report in this regard.

## Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of the Director of Resources' Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21) , the Local Government Finance Acts of 1988, 1992 and 2012, the Local Government and Housing Act 1989 and the Local Audit and Accountability Act 2014 and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Director of Resources' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to :

- discussing with management and the Governance and Resources Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to :

- making enquiries of management and the Governance and Resources Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;



# Appendix B: Draft audit report (continued)

- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Governance and Resources Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Director of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have not completed our work on the Council's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021.

We will report the outcome of our work on the Council's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

### Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.



# Appendix B: Draft audit report (continued)

## Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

## Use of the audit report

This report is made solely to the members of Derbyshire Dales District Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

## Delay in certification of completion of audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack; and
- the work necessary to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

[Signature]

Gavin Barker  
Director  
For and on behalf of Mazars LLP  
The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne. NE1 1DF

18 November 2021

Executive summary	Status of audit	Audit approach	Significant findings	Internal control recommendations	Summary of misstatements	Value for Money	Appendices
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# Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



# Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"><li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li><li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li></ul>
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Director of Resources that Derbyshire Dales District Council will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements..</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

# Appendix D: Other communications

Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management and the Council, confirming that</p> <ul style="list-style-type: none"><li>a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li><li>b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li><li>c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:<ul style="list-style-type: none"><li>i. Management;</li><li>ii. Employees who have significant roles in internal control; or</li><li>iii. Others where the fraud could have a material effect on the financial statements; and</li></ul></li><li>d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.</li></ul>

# Gavin Barker, Director and Engagement Lead

[gavin.barker@mazars.co.uk](mailto:gavin.barker@mazars.co.uk)

## **Mazars**

The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle Upon Tyne  
NE1 1DF

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws.

Report of the Director of Resources

## **LETTER OF REPRESENTATION 2020/21**

### **PURPOSE OF REPORT**

This report requests that Members consider the draft Letter of Representation as part of their responsibility for approving the financial statements.

### **RECOMMENDATION**

That the draft Letter of Representation be endorsed for signature.

### **WARDS AFFECTED**

None

### **STRATEGIC LINK**

The Letter of Representation is an important aspect of the Council's corporate governance arrangements. As such, it contributes towards the achievement of all the Council's aims, priorities and targets.

### **1 REPORT**

- 1.1 The International Standard on Auditing (U.K. & Ireland) 580 (ISA 580) requires the external auditor to obtain evidence that the Council's management acknowledges its responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework, and has approved the financial statements. The auditor can obtain evidence of management's acknowledgement of such responsibility by obtaining a written representation from management and a signed copy of the financial statements.
- 1.2 ISA 580 gives guidance on matters which might be included in a management "Letter of Representation". The Director of Resources' Letter of Representation has been prepared in accordance with that guidance and is given in Appendix 1. In preparing the letter, the Director of Resources has consulted with members of the Council's Corporate Leadership Team, and has discussed the draft contents with the External Auditor. The letter contains no matters of concern which need to be brought to the attention of Members.
- 1.3 In addition, ISA 580 requires the external auditor to obtain evidence that those charged with governance acknowledge their collective responsibility for the preparation of, and have approved, the financial statements. Consideration of the Letter of Representation by the Council alongside the external auditor's Audit Completion Report, prior to the approval of the

Statement of Accounts, contributes to that evidence.

## **2 RISK ASSESSMENT**

### **2.1 Legal**

There are no legal risks arising from this report.

### **2.2 Financial**

There are no financial risks arising from this report.

## **3 OTHER CONSIDERATIONS**

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

3.2 No detailed climate change impact assessment is required for this report.

## **4 CONTACT INFORMATION**

- 4.1 Karen Henriksen, Director of Resources  
Telephone: 01629 761284  
Email: [karen.henriksen@derbyshiredales.gov.uk](mailto:karen.henriksen@derbyshiredales.gov.uk)
- 4.2 Paul Frith, Financial Services Manager  
Telephone: 01629 761214  
Email: [paul.frith@derbyshiredales.gov.uk](mailto:paul.frith@derbyshiredales.gov.uk)

## **5 BACKGROUND PAPERS**

5.1 None

## **6 ATTACHMENTS**

Appendix 1 – Letter of Representation 2020/21



Mr Gavin Barker  
 Director  
 Mazars LLP  
 The Corner  
 Bank Chambers  
 26 Mosley Street  
 Newcastle Upon Tyne  
 NE1 1DF

Please ask for: Karen Henriksen  
 Direct Dial No: 01629 761284  
 Your Ref.  
 My Ref. CE/KH  
 E-mail: karen.henriksen@derbyshiredales.gov.uk

18 November 2021

Dear Gavin,

Derbyshire Dales District Council - Audit for the year ended 31 March 2021

This representation letter is provided in connection with your audit of the financial statements of Derbyshire Dales District Council for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the statement of accounts gives a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

**My responsibility for the statement of accounts and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code.

**My responsibility to provide and disclose relevant information**

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;
- additional information that you have requested from me for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

Continued.....

Paul Wilson, MCD, Dip TP, Dip Mgmt, MRTPI,  
 Chief Executive

Town Hall, MATLOCK, Derbyshire. DE4 3NN

For general enquiries telephone 01629 761100 or visit [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk)

Information communicated to the District Council may be disclosed to the public under the  
 Freedom of Information Act 2000

I confirm as Director of Resources (Chief Financial Officer) that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

#### **Accounting records**

I confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and Committee meetings, have been made available to you.

#### **Accounting policies**

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider them appropriate for the year.

#### **Accounting estimates, including those measured at fair value**

I confirm that any significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

#### **Contingencies**

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code.

#### **Laws and regulations**

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Continued.....



### **Fraud and error**

I acknowledge my responsibility as Director of Resources for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

### **Related party transactions**

I confirm that all related party relationships, transactions and balances (including sales, purchases, loans, transfers, leasing arrangements and guarantees) have been appropriately accounted for and disclosed in accordance with the requirements of the Code. I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

### **Impairment review**

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

### **Charges on assets**

All the Council's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

### **Future commitments**

We have no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

### **Subsequent events**

I confirm all events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Continued.....

### **Going concern**

I confirm that I have carried out an assessment of the potential impact of the COVID-19 Virus pandemic on the Council, including the impact of mitigation measures and uncertainties and I am satisfied that the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that the Council will cease to continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

### **Unadjusted misstatements**

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. Details are given in Appendix A to this letter.

This letter was endorsed at the meeting of the Governance and Resources Committee on 18 November 2021.

Yours sincerely,

Karen Henriksen  
Director of Resources

## Letter of Representation: Appendix A

### Statement of Accounts 2020/21: Unadjusted Misstatements

There are two unadjusted misstatements that have been identified by the external auditor:

1. The **value of a property fund investment** has been understated by £47,000. This error is below the materiality limit and correcting it would take up significant staff time. There is no impact on the revenue account balance as these adjustments reverse out under statute via the MIRS. The valuation is updated annually as part of the normal closedown procedures and so there is no risk to ongoing misstatement in future financial periods. Therefore, a decision has been made not to update the Statement of Accounts to correct this error.
2. The external auditor has indicated that there is a difference between the **pension fund valuations** information supplied by the actuary (and used in DDDC's Statement of Accounts) and the updated valuations shown in the revised accounts of Derbyshire Pension Fund of £24.6m representing a 0.43% increase in the pension fund value. The Council's share of this increase is approximately £294,000.

This difference does not indicate an error in the figures used in the Council's Statement of Accounts. It reflects a change in value based on updated information between estimates made by the actuary (used for the Council's accounts) and the final year end assets performance (used in the pension fund accounts).

The Council has chosen not to amend the pension fund valuation shown in its accounts because:

- the figures in the Council's financial statements are based on a formal updated valuation report prepared by the pension fund actuary;
- the difference is below the materiality limit;
- adjusting the valuation would take up significant staff time;
- there is no impact on the revenue account balance, as these adjustments reverse out under statute via the MIRS. This valuation is updated annually as part of the normal closedown procedures and so there is no risk to ongoing misstatement in future financial periods.

These misstatements are listed in the Audit Completion Report prepared by Mazars LLP.

Governance & Resources Committee  
18 November 2021

Report of the Director of Resources

## STATEMENT OF ACCOUNTS 2020/21

### PURPOSE OF REPORT

This report provides interpretation of the Statement of Accounts for 2020/21 and highlights the key issues. The report also requests approval of the Statement of Accounts for 2020/21.

### RECOMMENDATION

That the Statement of Accounts for 2020/21 is approved.

### WARDS AFFECTED

None

See also the  
Statement of Accounts 2020/21 published  
separately

### STRATEGIC LINK

The Council's financial position is taken into account in determining all the priorities in the Corporate Plan.

## 1 BACKGROUND

1.1 Under the Account and Audit Regulations 2015 the District Council must:

- consider either by way of a Committee or by the Members meeting as a whole the Statement of Accounts;
- following that consideration, approve the Statement of Accounts by a resolution of that Committee or meeting;
- following approval, ensure that the Statement of Accounts is signed and dated by the person presiding at the Committee or meeting at which that approval was given; and
- publish (which must include publication on the Council's website), the Statement of Accounts together with any certificate, opinion, or report issued, given or made by the auditor.

## 2 REPORT

2.1 The Statement of Accounts 2020/21, distributed with this report, has been audited by the Council's External Auditors, Mazars LLP. The significant findings of the audit are set out below and in the Audit Completion Report, elsewhere on the agenda for this committee meeting.

2.2 Adjusted Misstatement: The audit of the accounts identified one misstatement, which was accepted by management and the Statement of Accounts was adjusted to correct it. This related an error in the accounting treatment of fixed assets, which amounted to £9.8m. Corrections were required to the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement. The Balance Sheet was not affected. Some disclosures notes had to be adjusted (see paragraph 2.4).

2.3 Unadjusted Misstatements: There are two unadjusted material misstatements, relating to the valuation of an investment and to the pension fund valuation. Further details of these are provided in the Letter of Representation elsewhere on the agenda for this meeting.

2.4 Disclosure amendments: The audit of the accounts has identified six amendments that were required to disclosures in the Statement of Accounts. Council officers identified a further issue. The Statement of accounts has been amended accordingly. These include:

- A clarification to the Narrative Statement to explain the movement in pension liabilities.
- An amendment to Note 8 to the accounts which details expenditure and income by nature, where some income had been recorded on the wrong line within the note. This had no overall impact and doesn't affect any other part of the Statement of Accounts.
- A correction to Note 31 relating to external audit costs to reflect the latest fee information.
- A correction to Note 34 relating to officers' remuneration. Details were added in respect of three non-senior officer employees paid over £50,000 in 2020/21 that were omitted from the draft financial statements.
- Note 35 – this note was reviewed for consistency with Note 12. Differences were noted and the Council has amended its figures. NDR changed from £12,312k to £5,922k and Capital grants (not previously disclosed) was detailed as £1,495k. The total credited to Tax and Non specific Grant Income in Note 35 became £11,454k.
- Note 38 - an incorrect working paper was used when creating the draft financial statements extract for leases, this resulted in the figure for operating leases as lessor being £626k too high
- Corrections to the following in respect of an error amounting to £9.8m relating to the treatment of fixed assets (see paragraph 2.2 above):
  - Comprehensive Income and Expenditure Statement
  - Movement in Reserves Statement
  - Expenditure and Funding Analysis
  - Cash Flow Statement
  - Note 7 – Expenditure Funding Analysis
  - Note 8 – Expenditure and Income analysed by nature
  - Note 9 – Adjustments between accounting basis and funding basis under regulations

- Note 13 – Property, Plant and Equipment
- Note 25 – Unusable Reserves
- Note 26 - Cash Flow Statement.

2.5 Officer comments: While the number of amendments is higher than usual it should be recognised that none has an impact on the balance sheet or overall financial position and that preparing the statement of accounts while staff have been working remotely for part of the time as a result of the coronavirus pandemic has been challenging in terms of time to carry out tasks and collaboration.

2.6 The overall financial position as at the 31<sup>st</sup> March 2021 remains the same as that included within the Draft Statement of Accounts and reported to Council in July 2021.

2.7 The Audit Opinion will be issued after the Committee has approved the Statement of Accounts and Letter of Representation. As part of corporate governance, the External Auditor is required to report relevant matters relating to the audit to Council (or a relevant committee). As a result of Covid-19 the normal statutory deadline of 31<sup>st</sup> July has been extended to 30<sup>th</sup> September 2021 for the 2020/21 Statement of Accounts, and, as the audit has only recently been concluded, this report is presented to this committee. The External Audit Completion Report for 2020/21 from Mazars is included elsewhere on the Agenda of this meeting, and this report highlights the findings of the Audit.

2.8 The Accounts and Audit Regulations state that the accounts must be prepared in accordance with “proper practices”. The Local Government Act 2003 defines proper practices as those:

- Which the authority is required to follow by virtue of any enactment, or
- Which are contained in a code of practice or other document which is identified by the Secretary of State. The Secretary of State has determined that the following document is relevant:
  - The Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

2.9 The Council's accounts have been prepared to comply with proper practices, as demonstrated by the satisfactory completion of the external audit of the accounts. Compliance can also be checked by reviewing the Statement of Accounts against the Audit Commission's Aide Memoire, which is included as Appendix 1 to this report.

### **3 RISK ASSESSMENT**

#### **3.1 Legal**

This report has been compiled in compliance with the Account and Audit Regulations 2015. The legal risk is therefore low

#### **3.2 Financial**

The accounts have been prepared in accordance with proper practices, and have been audited. There is therefore no financial risk arising from this report.

#### **4 OTHER CONSIDERATIONS**

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

4.2 No detailed climate change impact assessment required on reporting outcomes.

#### **5 CONTACT INFORMATION**

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#### **6 BACKGROUND PAPERS**

6.1 None

#### **7 ATTACHMENTS**

Appendix 1 – Statement of Accounts 2020/21 – Aide Memoire

Appendix 2 – Statement of Accounts 2020/21 – Published Separately

**STATEMENT OF ACCOUNTS 2020/21 - AIDE MEMOIRE FOR MEMBERS**

The purpose of the questions below is to help establish and provide evidence of a robust review of the accounts by the S151 officer and Members.

No.	Issue	Comment and evidence
1	Was the closedown plan (which allows the statement of accounts to be approved by 30 September 2021) achieved?	The accounts were signed by the S151 Officer on 12 November 2021 and sent to Members on 15 November prior to the Governance and Resources meeting on 18 November. The reasons for the delay are explained in the Audit Completion Report elsewhere on the agenda for this committee meeting.
2	Have the auditors received regular updates on the plan and been warned of potential problems?	<p>The auditors received a copy of the plan in advance and again at the commencement of the Audit.</p> <p>During and after the closure process discussions have been held with the auditors regarding various areas of accounting.</p> <p>The auditors were given copies of the draft accounts and a selection of working papers at the commencement of the audit. Further working papers were provided during the audit (see point 11).</p>
3	Have staff preparing the accounts attended CIPFA/Mazars workshops and are they aware of the key issues and changes in the CIPFA Code of Practice 2020/21?	CIPFA workshops were attended to provide guidance on technical matters relating to the 2020/21 Statement of Accounts. There were no workshops delivered by Mazars which were attended by accountancy staff.
4	Do staff preparing the accounts have up to date CIPFA guidance notes for practitioners?	Yes.
5	Have the accounts been checked for casting errors, internal inconsistency and cross referencing? (All numbers which are expected to agree do agree).	Yes. Excel checks are incorporated into the document to reduce the risk of casting errors and to check internal consistency. Internal consistency and cross referencing is also checked thoroughly by senior accounting staff. It can be problematic to eliminate all minor inconsistencies, and numbers in the Core Statements take precedence.
6	Does the narrative statement set out the results for the year and comparison to budget, commenting on the significant items?	Yes – see pages 3 to 14 of the Statement of Accounts.



	Do the figures quoted reconcile to the main statements?	Yes.
7	<p>Has the audit of the accounts been advertised and accounts made available for public inspection?</p> <p>Have members of the public raised any objections? (If so, what are they?)</p>	<p>The Draft Statement of Accounts 2020/21 and notice of public rights were placed on the Council's website on the 30<sup>th</sup> July and the accounts were available for public inspection from 2nd August to 13<sup>th</sup> September.</p> <p>No objections were received.</p>
8	Has a bank reconciliation been completed as at 31 <sup>st</sup> March 2021 with no unexplained entries?	Yes. The bank reconciliation for the year ending 31 <sup>st</sup> March 2021 was completed. There were no unexplained entries.
9	<p>Have all year-end control accounts been reconciled?</p> <p>How have you maintained control when staff are involved in budget preparations Nov – Feb time?</p> <p>Any significant slippages in reconciling suspense accounts e.g. cash suspense?</p>	<p>Yes.</p> <p>There were sufficient adequately trained staff in the Financial Services Section to undertake control account reconciliations, which was possible as tasks are completed by different staff members to those significantly involved in the budget preparations. Improvements to the staffing structure in early 2021 gave added resilience, compared to previous years. There was some staff turnover during the time that the Statements of Accounts was prepared but the impact was mitigated by the engagement of agency personnel.</p> <p>There was some slippage with the production of monthly Bank Reconciliations during the year. This was impacted by some of the digital transformation work which affected Cash Receipting systems and cash processed to the General Ledger.</p>
10	Are there any significant unexplained budget variances?	There are no unexplained variances.
11	Have working papers been completed in accordance with the auditor's "Prepared By Client" list? Were they ready for the start of the audit?	Working papers were completed in accordance with the auditor's "Prepared By Client" list, as well as a working paper for each note to the accounts. The majority of working papers were ready for the start of the audit, with a small number produced during the audit.

12	<p>Is there a sufficient basket of evidence gathered to allow the S151 officer and members to conclude on the effectiveness of Internal Audit, in relation to the Annual Governance Statement? E.g. Self-assessment by Internal Audit Manager, External Auditor's view of Internal Audit, Heads of Service view of Internal Audit.</p>	<p>The Annual Governance Statement (AGS) for 2020/21, which identifies the Governance Framework and includes a review of its effectiveness, was approved by the Governance &amp; Resources Committee on 1<sup>st</sup> July 2021.</p> <p>The Internal Audit Annual Report for 2020/21 was also considered at the meeting of the Governance &amp; Resources Committee on 1<sup>st</sup> July 2021. This report includes an opinion on the overall adequacy and effectiveness of the Council's control environment including any qualifications to that opinion. For 2020/21, the Internal Audit Consortium Manager issued a "limitation of scope" opinion relating to the adequacy and effectiveness of the Council's control environment. This arose because of COVID-19 and the redeployment of the Senior Internal Auditor to deal with audit and assurance relating to business support grants, which resulted in the bulk of the internal audit plan not being completed in 2020/21. To avoid similar limitations in future, the resource levels within internal audit have been reviewed and increased during 2021. The audit plan for 2021/22 has also been affected and a revised plan is to be reported to the Committee for approval in November 2021.</p> <p>To comply with the Public Sector Internal Audit Standards (PSIAS) internal and external assessments of internal audit are required. An internal self-assessment against the PSIAS utilising the recommended CIPFA checklist is undertaken on an annual basis by the Internal Audit Consortium Manager and these have concluded compliance with the Standards. An independent external review of Internal Audit was carried out in May 2021. The report concludes that Internal Audit are delivering internal audit services to a standard that generally conforms with the PSIAS. There are no areas where the service does not comply with the standards. This means that Members can have confidence in the service provided by internal audit. It is acknowledged that internal audit has significant experience and appropriate qualifications allowing a robust internal audit standard to be maintained and delivered.</p>
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13	<p>Has the action plan from the previous year's Annual Governance Statement been complied with? Are there any remaining control risks that undermine the content of the Annual Governance Statement or the Accounts?</p>	<p>Progress on the action plan for the 2019/20 Annual Governance Statement (AGS) is shown in the 2020/21 Statement, on page 51 of the Statement of Accounts. There were three recommendations which had not been completed at 31st March 2021 due to additional workloads during the coronavirus pandemic. These have been carried forward in the 2020/21 AGS Action Plan and relate to:</p> <ul style="list-style-type: none"> <li>• the budget gap;</li> <li>• arrangements for asset management; and</li> <li>• arrangements for mandatory training for officers and members.</li> </ul>
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Report of the Director of Resources

## **REVISED 2021/22 INTERNAL AUDIT PLAN**

This report informs members that the 2021/22 Internal Audit Plan approved by members in March 2021 is no longer achievable. The report also seeks approval for the proposed revised Internal Audit Plan for 2021/22 based upon the level of resources available and perceived levels of risk.

### **RECOMMENDATION**

1. That the reasons that the original 2021/22 plan is not achievable be noted.
2. That the revised internal audit plan for 2021/22 be agreed.

### **WARDS AFFECTED**

None

### **STRATEGIC LINK**

The Audit Plan supports the Council's Corporate Plan values by reviewing service functions and testing and reporting on service quality, internal control, risk management and governance provisions, ensuring that the Council uses public resources responsibly.

## **1 BACKGROUND**

- 1.1 A key requirement of the Public Sector Internal Audit Standards is that a periodic risk based plan should be prepared that should be sufficiently flexible to reflect the changing risks and priorities of the organisation. The risk based plan should be fixed for a period of no longer than one year, should outline the assignments to be carried out, their respective priorities and the estimated resources needed.
- 1.2 The Public Sector Internal Audit Standards states that the Head of Internal Audit must lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively to be able to provide an opinion on the adequacy and effectiveness of the organisation's framework of governance, risk management and control. Members and the leadership team need regular assurance that the organisation has good governance and is effectively managing its risks.
- 1.3 In March 2021 the Internal Audit Plan for 2021/22 was approved by members. The "ideal plan" was based on there being 2 full time members of staff.

## **2 REPORT**

Internal Audit Resource

2.1 During the preparation of the 2021/22 internal audit plan it became clear that the current resource level of internal audit was not sufficient to be able to continue to provide adequate independent assurance on governance, risk and control processes. Members agreed the budget to recruit for another full time Senior Auditor.

2.2 Unfortunately, despite 2 attempts at recruitment, it did not prove possible to appoint a suitably experienced and qualified Senior Auditor. A decision was taken to appoint at auditor level instead.

2.3 An Auditor has been successfully appointed and has joined the Council from the 1<sup>st</sup> November 2021. The appointee is an experienced Finance Officer but has little experience of internal audit therefore there will be a substantial training period.

2.4 In addition to the above, the Senior Auditor has still been heavily involved in the Business Grants process although this has reduced during the last few months.

The audit checks and assurance work required by BEIS in relation to business support grants have been extensive. The work has included the following:

- preparation of pre and post payment risk assessments for each type of grant for submission to BEIS
- audit checks on individual grants
- assisting the grants team with queries
- exporting grant data on a monthly basis from the CRM system to report to BEIS on grants paid
- undertaking individual reconciliations across all grant schemes to identify amount of grant allocation repayable to BEIS
- identify duplicate grant payments as part of the reconciliation process
- co-ordinating the recovery grants found to have been paid in error
- submitting grant information and details of post assurance checks to BEIS
- responding to requests from BEIS to provide grant details in specific cases as part of their audit checks.
- collating data on RHLG, SBGF and DFG and submitting it to the NFI for data matching purposes
- completing returns to HMRC to provide details of grants paid to businesses/sole traders
- attending BEIS live stream events on the reconciliation process, pre and post payment assurance requirements and debt recovery process.

The Corporate Leadership Team agreed that the Senior Auditor had the relevant skills, knowledge and experience to carry out this work. It was also agreed that the payment of grants was a priority. While a temporary employee was engaged to deliver some of the work, and some support was provided by the financial services team, a significant amount of work fell to the Senior Auditor.

2.5 All of the above mean that it is necessary to revise the 2021/22 internal audit plan that was originally approved in March 2021.

2.6 In revising the plan consideration has been given to:-

- The levels of risk presented by each area

- Reliance that can be placed on other assurances such as previous audit work, external audit and PSN compliance.
- Being able to provide unlimited assurance on the Council's governance, risk management and control arrangements.
- Suitable audits for the newly appointed auditor to undertake.

2.7 Provided that the revised internal audit plan is completed, an unlimited opinion will be possible.

2.8 The revised Internal Audit Plan for approval is detailed at Appendix 1.

### **3 RISK ASSESSMENT**

#### **3.1 Legal**

The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance". Lack of resources to undertake an effective audit puts the Council at risk therefore the legal risk is considered medium.

#### **3.2 Financial**

There is no financial impact arising from this report.

#### **3.3 Corporate Risk**

The lack of an adequate internal audit service could lead to a failure to identify weaknesses in governance, control and risk management processes. If sufficient internal audit work is not completed to be able to provide the relevant assurances then a limited internal audit opinion must be given at the year end. This in turn will have to feed into the Annual Governance Statement, may affect external audit's opinion on value for money and could lead to non-compliance with the Public Sector Internal Audit Standards. Members and the Corporate Leadership team would not have adequate independent assurance on governance and risk.

### **4 OTHER CONSIDERATIONS**

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

4.2 No detailed climate change impact assessment is required for this report.

### **5 CONTACT INFORMATION**

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## **6 BACKGROUND PAPERS**

6.1 None

## **7 ATTACHMENTS**

7.1 Appendix 1 Original and revised Internal Audit Plan 2021/22

## Appendix 1

### Derbyshire Dales District Council Internal Audit Plan – Original and Revised 2021/22

	2021/22 Original Plan Days	2021/22 Revised Plan Days
Main Financial Systems		
Main Accounting System	9	
Budgetary Control	5	
Payroll	18	18
Creditor Payments	15	15
Debtors	10	10
Treasury Management	10	
Council Tax	10	
Non Domestic Rates	10	
Housing / Council Tax Benefit	20	20
Business Grants	12	64
Total Main Financial Systems	119	127
Operational Audits		
Asset Management	8	
Bakewell Agricultural Centre	6	
Car Parks Income	4	4
Commercial Waste	8	
Energy Grants (required sign off)	5	
Expenses and Allowances	8	8
Illuminations	2	
Improvement Grants	8	8
Insurance	8	
Leisure Contract Management	8	
Markets	6	
Parks	4	
Refuse Collection Contract	8	8
Section 106/CIL	10	
Taxi Licenses/Other Licenses	8	8
Transport/Plant/Vehicles/Fuel	12	
VAT	6	
Total Other Operational Audits	119	36



	Original	Revised
Corporate/Cross Cutting		
Corporate Targets	4	
CRM / Garden Waste	10	
Business Continuity	10	
Ethics	10	
Follow up Previous Recommendations	4	
Freedom of Information	6	
Health and Safety	10	
Procurement	10	10
Risk Management	8	8
Total Corporate/Cross Cutting	72	18
IT Systems		
Use of Social Media	8	
Laptops / Removable Media	8	
Disaster Recovery		Consortium
Total IT Systems	16	0
Fraud and Corruption		
National Fraud Initiative	2	
Recruitment and Selection	8	
Total Fraud and Corruption	10	0
Non Audit Duties		
Elections – Postal Votes	1	
Total Non-Audit Duties	1	0
Other		
Contingency	15	15
Financial Advice/Working Groups	10	10
Total Other	25	25
Management Time (IA Consortium Manager)	30	30
Grand Total	392	236

Governance & Resources Committee  
18 November 2021

Report of the Director of Regulatory Services

## **ASSET MANAGEMENT PLAN – LAND HOLDINGS REVIEW PHASE 3**

### **PURPOSE OF REPORT**

This report represents the third phase of an ongoing review of the Council's land and property assets in accordance with the Asset Management Plan. This phase of the Land Holdings Review covers 2 sites across the District in which queries or expressions of interest have been received or land is to be declared surplus to requirements or allocated for a particular purpose.

### **RECOMMENDATION**

1. That the lease or a freehold transfer of Site 1 to Middleton by Wirksworth Parish Council is renewed/transferred on the terms outlined in Appendix 1 of this report as a Community Asset Transfer.
2. That Site no. 2 is declared surplus to requirements and offered for sale by private treaty or public auction on the terms outlined in Appendix 1 of this report.
3. That it is noted that the disposal in 1. above (either by lease or freehold transfer) comprises an undervalue transaction permitted under the General Disposal Consent 2003.
4. That each party will bear their own legal costs in respect of site 1. and that the District Council's legal and surveyors' costs in respect of site 2. will be met either directly or by way of a buyers' premium.

### **WARDS AFFECTED**

Wirksworth; Ashbourne South;

### **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 Asset Management Plan recommends that unused or surplus buildings and land (of area 0.1ha and above excluding parks and pleasure grounds and public open space) be reviewed to establish whether they should be sold or whether they could contribute to the councils objectives key objectives of economic development and affordable housing or whether they could form part of a Community Asset Transfer.
- 1.3 This the third of a number of phases of reports consider the future arrangements for surplus land and buildings across the District.

## **2 REPORT**

- 2.1 Phase 3 of the Land Holdings Review covers 2 sites in which queries or expressions of interest have been received or land is to be declared surplus to requirement or allocated for a particular purpose. Following consideration of planning, legal and estate management factors, together with operational requirements, recommendations are made regarding whether the sites should be retained, allocated for a particular use or sold and the terms which would apply.
- 2.2 An appraisal of each site has taken place comprising advice on any planning constraints, legal restrictions and maintenance liabilities/costs.
- 2.3 Site no. 1 comprises a 0.1 Ha site which has been leased to Middleton by Wirksworth Parish Council since 2002 on which they have established a community garden. The current lease term ends shortly and the Parish Council have requested a new lease. It is recommended that this is agreed as a leasehold Community Asset Transfer and that a new 25 year lease is granted on the terms set out in Appendix 1 of this report. Alternatively, a transfer of the freehold could be arranged on the terms set out in Appendix 1.
- 2.4 Site no. 2 comprises a 0.13 Ha site off Clifton Road, Ashbourne adjacent to the access road to St. Oswald's Hospital and Ashbourne Leisure Centre. The site has been vacant and unused since the Hospital was developed and a number of expressions of interest have been received. Accordingly, as the land has no operational use to the District Council, it is recommended that it be declared surplus to requirements and offered for sale by private treaty or public auction with a buyers' premium applied to cover the Council's costs.
- 2.5 The results and recommendations for both sites are summarised in Appendix 1 together with plans of each site.
- 2.6 Ward Members and the relevant Town/Parish Council have been consulted on the proposed disposals and any comments received will be reported to the meeting.

## **3 RISK ASSESSMENT**

### **3.1 Legal**

The title to the property will need to be checked to ensure that there are no matters preventing the disposal. All appropriate steps will need to be completed to ensure compliance with all required procedures on this disposal. Legal risk is therefore low

### 3.2 Financial

The lease for site 1 is based on a peppercorn rent, which will have no impact on the Council's financial position. If the site were to be transferred freehold, this would be at a nominal sum (undervalue) and similarly will have no impact on the Council's financial position.

Site 2 is recommended for disposal by auction. If the sale proceeds are less than £10,000 they will be credited to the revenue account. If sale proceeds are £10,000 or more they will be credited to capital receipts and will be available to finance future capital projects.

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

- 5.1 Mike Galsworthy - Estates and Facilities Manager  
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Email: [mike.galsworthy@derbyshiredales.gov.uk](mailto:mike.galsworthy@derbyshiredales.gov.uk)

## 6 BACKGROUND PAPERS

- 6.1 None

## 7 ATTACHMENTS

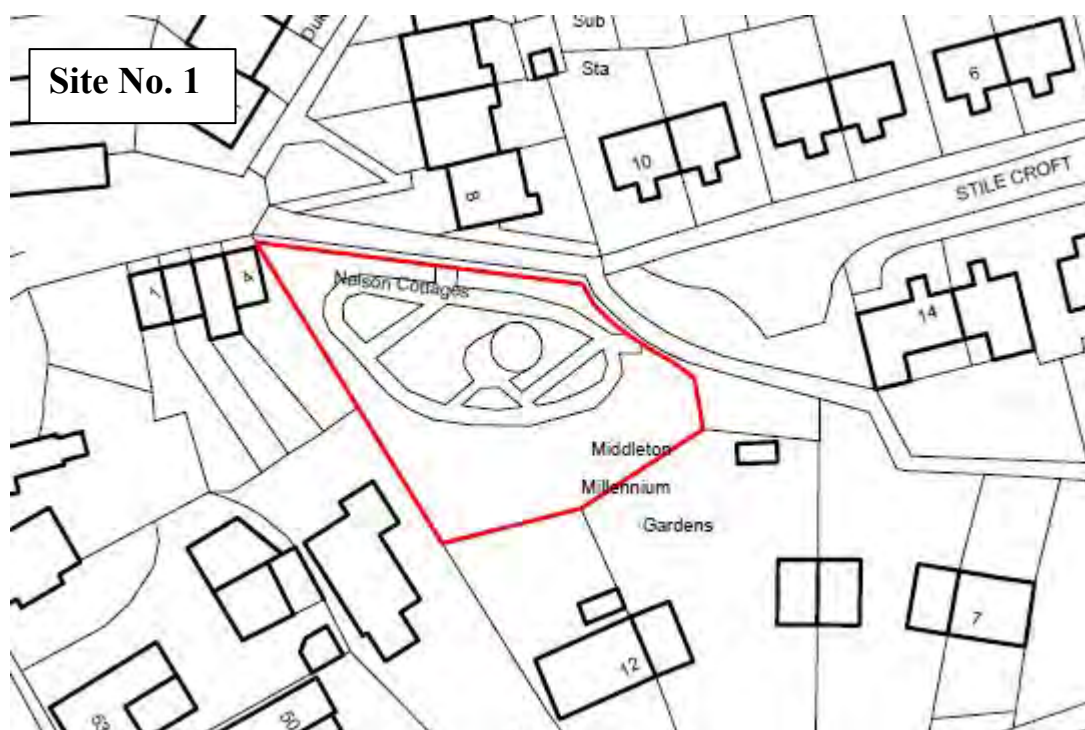
- 7.1 None

**AMP- LAND HOLDINGS REVIEW - PHASE 3 – APPENDIX 1.**

**SITE INDEX**

1.	Land at Stile Croft, Middleton by Wirksworth	Lease/Disposal (CAT)
2.	Land at Clifton Road, Ashbourne	Disposal

## Site 1 – Land at Stile Croft, Middleton by Wirsworth



Draft plan for information only

## LAND HOLDINGS REVIEW

### SITE NO. 1

ADDRESS	Land at Stile Croft, Middleton by Wirksworth Reference A/00392 05/0162
REQUEST RECEIVED	Middleton by Wirksworth Parish Council have requested a Community Asset Transfer by long lease of their existing interest as their current lease expires 29.4.2022.
DESCRIPTION/LOCATION	The site is relatively flat and in the centre of the village. It is 0.26 acre (0.1 Ha).  The area is currently leased to Middleton by Wirksworth Parish Council as a community garden.
OWNERSHIP	Freehold owned by Derbyshire Dales District Council under title DY429758.
LEGAL COVENANTS RESTRICTIONS	The disposal will be subject to all existing restrictions and will be for community use only. A freehold transfer may require Public Open Space consultation
PLANNING	N/A
MAINTENANCE	All maintenance is currently undertaken by the Parish Council under their existing lease.
HEALTH & SAFETY/RISKS	None noted.
OFFICER COMMENT	The existing 20 year lease expires on 29 April 2022.  The new lease of the land would be on the following terms - <ul style="list-style-type: none"> <li>○ term 25 years</li> <li>○ to use as a community garden</li> <li>○ peppercorn rent</li> <li>○ to pay all rates, taxes and outgoings</li> <li>○ to keep in repair</li> <li>○ yield up at end of term removing buildings and services to satisfaction of the landlord</li> <li>○ not to assign, charge or underlet</li> <li>○ comply with statutory obligations</li> </ul>

	<ul style="list-style-type: none"> <li>○ ensure compliance with DDDC policies including protecting children &amp; vulnerable adults and equality</li> <li>○ Maintain public liability insurance to £10million</li> <li>○ each party pays their own costs</li> </ul> <p>As an alternative to a long lease a transfer of the freehold interest may be preferred. If such a transfer was agreed by the Parish Council restrictions would be put on title to ensure it remained an area to be used by the community, consideration would be £1 and each party would pay their own costs.</p>
RECOMMENDATION	To grant a new lease 25 year lease to Middleton by Wirksworth Parish Council on the above terms or, if preferred by the Parish Council, a transfer of the freehold interest of the site.



## Site 2 – Land at Clifton Road, Ashbourne



Draft Plan for information only

## LAND HOLDINGS REVIEW

### SITE NO. 2

ADDRESS	Land at Clifton Road (corner Leisure Way)  Reference A/01217 A/00258
REQUEST RECEIVED	Various expressions of interest received.
DESCRIPTION/LOCATION	The property is a level area of grassed land of approx 0.32 acre (0.13 Ha) located at the front of St Oswalds Hospital on the fringe of Ashbourne town centre. It is a level site with road on three sides. To the east is a doctor's surgery, and to the west is a grade listed former station building which is currently used for business purposes.
OWNERSHIP	Freehold owned by Derbyshire Dales District Council under titles DY241025 and DY395200.
LEGAL COVENANTS RESTRICTIONS	The disposal will be subject to all existing restrictions
PLANNING	TBC
MAINTENANCE	The land is currently mown by the District Council.
HEALTH & SAFETY/RISKS	N/A
OFFICER COMMENT	This site is currently unused and does not have an obvious operational use without considerable redevelopment and capital expenditure.
RECOMMENDATION	<p>The freehold of the site to be offered for sale by the Estates &amp; Facilities Manager. It may be by private treaty or entered into an auction with a reserve set by the Estates Manager in consultation with the auctioneer depending on interest generated with a 3% buyer's premium applied.</p> <p>Other terms to be determined by the Estates &amp; Facilities Manager.</p>

Governance & Resources Committee  
18 November 2021

Report of the Director of Regulatory Services

## **DDDC TENANTS – PROPOSED RENT FREE PERIODS**

### **PURPOSE OF REPORT**

To consider the provision of retrospective rent free periods/rent reductions to District Council commercial tenants whose trading was either curtailed or prevented under national regulations due to Covid 19 during the Spring of 2021 at an estimated cost of £10,842.

### **RECOMMENDATION**

1. That approval is given to the grant of a 3 month 50% rent reduction to the operator of Hall Leys Park Cafe to reflect curtailed trading during the period 01/01/21 to 31/03/21 due to national restrictions due to Covid 19.
2. That approval is given to the grant of a 3 month rent free period to the ABC kiosk tenants and café to reflect their inability to trade during the period 01/01/21 to 31/03/21 due to national restrictions due to Covid 19 and local restrictions imposed by DEFRA.
3. That, subject to recommendations 1 and 2 being approved, Council be requested to approve a supplementary revenue budget of £10,842 to cover the estimated cost of the rent reductions.

### **WARDS AFFECTED**

Matlock St Giles; Bakewell

### **STRATEGIC LINK**

Prosperity is highlighted in the Corporate Plan 2020-24 as a District Council priority due to low local wages and high local house prices. With regard to the recommendations in this report, the District Council specifically aims to: Support businesses to encourage productivity, growth, and higher wage jobs in rural and urban locations. The recommendations in this report would support local businesses during the Coronavirus pandemic.

### **1 BACKGROUND**

- 1.1 The District Council has a number of small commercial tenants who have been unable to trade or have been adversely affected by lockdown arrangements. These fall into 2 categories namely businesses associated with our Parks and Pleasure Grounds and businesses related to the Livestock Market at the Agricultural Business Centre.

1.2 Some of these businesses did not have their own rateable values and so were unable to access some of the available Government support grants as a result.

1.3 At the time this matter was last considered in November last year, it was resolved to offer these tenants a 5 month rent free period. This was gratefully accepted and has helped these tenants to maintain their businesses throughout the Covid 19 pandemic over the times when they were unable to trade. One of the tenants at the ABC, the National Farmers Union has declined the offer of the rent free period as their policy is to support landlords through the lockdown period.

## **2 REPORT**

2.1 Since this matter was last considered at the end of last year, further restrictions were imposed covering the start of this year.

2.2 Whilst the Livestock Market at the ABC has been able to continue trading throughout the various lockdown periods, compliance with DEFRA regulations has meant that the retail kiosks and the cafe which service the market were unable to trade for a 3 month period at the start of this year and it is therefore recommended that a further 3 month rent free period be granted to these tenants at a cost of £9,654.

2.3 National restrictions in force at the start of the year allowed the Hall Leys Park Café to trade on a take away only basis, trade was very restricted and it is therefore recommended that a 50% rent reduction be applied for this 3 month period at a cost of £1,188.

## **3 RISK ASSESSMENT**

### **3.1 Legal**

The Council has the power of offer a rent free period under the general power of competence contained in section 1 of the Localism Act 2011 therefore the legal risk is low

### **3.2 Financial**

The offer of rent free periods to assist businesses with recovery will result in lost income for the Council estimated at £10,842. There is no provision in the 2021/22 revenue budget for the estimated lost income; if Members approve the rent reductions it will be necessary to request Council to approve a supplementary revenue estimate. The additional rent free period would be financed from the General Reserve. The financial risk to the Council 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**

5.1 Mike Galsworthy - Estates and Facilities Manager  
Tel: 01629 761207  
Email [mike.galsworthy@derbyshiredales.gov.uk](mailto:mike.galsworthy@derbyshiredales.gov.uk)

## **6 BACKGROUND PAPERS**

6.1 None

## **7 ATTACHMENTS**

7.1 None

Report of the Director of Regulatory Services and the Director of Corporate and Community Services

## **STARKHOLMES ALLOTMENTS**

### **PURPOSE OF REPORT**

This report details a request from Starkholmes Allotment Association for Derbyshire Dales District Council to consider the potential to compulsorily purchase the land on which the allotments are currently sited, in order to ensure the long term retention of this land as allotments.

### **RECOMMENDATION**

1. That the District Council considers the request made by Starkholmes Allotment Association;
2. That the request from Starkholmes Allotment Association to compulsorily purchase the current site of Starkholmes allotments be declined;
3. That the decision to undertake a Community Asset Transfer of land to Matlock Town Council (resolution 2 of Minute Number 135/21) be paused and reconsidered at a later meeting of the Governance and Resources Committee once further public consultation has been concluded by Matlock Town Council.

### **WARDS AFFECTED**

Matlock St Giles

### **STRATEGIC LINK**

The provision of land for allotments links with the District Council's priority of Place: keeping the Derbyshire Dales clean, green and safe.

### **1 BACKGROUND**

1.1 At its meeting on 30 September 2021, the Governance and Resources Committee considered a request from Starkholmes Allotment Association to compulsorily purchase the allotment site, as the Allotment Association had been served with notice to quit. The report highlighted that this presented an unquantified risk to the Council, in that the value of the site was unknown. However, it was identified that the Valuation Office Agency published indicative figures for land value for the area that showed that land in the area could be valued as follows:

- Agricultural land = £21,750 per Ha (VOA 2019)
- Residential land = £2,100,000 per Ha (VOA 2019).

1.2 Starkholmes allotments are located on a 0.8 hectare parcel of land and as such a simple calculation using these figures gave a potential value varying from £17,400 to £1,680,000. The actual value would need to be determined as part of the compulsory purchase process, if that course of action was followed.

1.3 Members were concerned about the potential loss of the allotment site but were mindful of the potential financial and legal risks. Consequently they deferred making a decision and asked for additional information, specifically in relation to whether compulsory purchase action could be abandoned if the financial risk became too great and what the consequences of such an action might be. Information was also requested as to whether the 'hope value' of the site could be quantified to some degree.

## 2 REPORT

2.1 The District Council's Legal team has researched the issue and have advised as follows:

One of the requirements for applying for a Compulsory Purchase Order (CPO) is Secretary of State approval which requires the Council to provide justification for its decision to compulsorily purchase a site.

To be able to apply for approval, funding has to be identified or in place. This is contained in para 14 of the Guidance on Compulsory Purchase published by the Department for Levelling Up, Housing and Communities. It says:

In preparing its justification, the acquiring authority should address:

- a) **sources of funding** - the acquiring authority should provide substantive information as to the sources of funding available for both acquiring the land and implementing the scheme for which the land is required.....
- b) **timing of that funding** - funding should generally be available now or early in the process. Failing that, the confirming minister would expect funding to be available to complete the compulsory acquisition within the statutory period (see section 4 of the Compulsory Purchase Act 1965) following the operative date.....

Evidence should also be provided to show that sufficient funding could be made available immediately to cope with any acquisition resulting from a blight notice.

[NB: A blight notice can result in a claim for loss of value to land and properties surrounding the CPO]

Therefore it is clear that to start the CPO process, it is expected that funding needs to have been identified to cover all eventualities including the full potential value of the land

This Guidance isn't statutory, but must nevertheless the Court has confirmed that it must be followed. Apart from anything else it is the criteria the Secretary of State will use when considering whether to confirm a CPO.

Further in reaching a decision to CPO a site, the Council must take account of all relevant considerations. Costs would be a relevant consideration insofar as it is relevant to whether a project will ever be implemented. If the costs are such that the project behind a CPO has no realistic prospect of success, if valued at the higher value, it is difficult to see how a decision to make a CPO could be anything other than unreasonable which would not be defensible if the decision to CPO was judicially reviewed.

Another factor is that the Council must consider whether interference with the owners' rights to protection of their property is justified. The Council therefore would require evidence that there is no other suitable site available. As there is a potential site next to the allotments, it is unlikely that a CPO would get permission.

2.2 In relation to the issue of hope value, the District Council's Valuer has advised that under Compulsory Purchase legislation, the value of the land is the value to the owner from whom the land is being acquired with no allowance for the compulsory nature of the acquisition. The value determined will be equivalent to the amount which the land might realise if sold in the open market by a willing seller and as such would reflect any uplift in the value due to its future development potential (hope value). In terms of practicalities, CPO valuations are a specialist area and, if we wanted to obtain a valuation, we would need to engage an independent specialist valuer to do this. Since the last meeting of the Governance and Resources Committee the site owner has confirmed that he intends to develop the site for housing.

2.3 Since the previous meeting of this Committee, officers have attended a meeting between the Leader of the Council, the owner of the site and his representatives. During that meeting the owner of the site confirmed his intention to develop the site for housing, which indicates the 'hope value' that he would be likely to ascribe to the site. He also disclosed that he had approached Matlock Town Council in May 2021 about potentially helping to fund the movement of the allotment holders to the adjacent site that the Town Council was hoping to receive in the form of a community asset transfer from the District Council. Unfortunately this correspondence was not shared with District Council officers at the time, who were therefore unable to report on this proposal as part of the previous report to this Committee. It is understood that Matlock Town Council were consulting on the potential use of this land at that time and that this consultation did not indicate that use of the site as allotments was favoured, but nevertheless it is possible that this information would have been of use to District Council Members in determining how to respond to the request to compulsorily purchase the allotment site and potentially in relation to the report considering the transfer of the adjacent land, which was considered on the same agenda. In the event a decision was made at the last meeting of the Governance and Resources Committee that this land should be transferred to Matlock Town Council as part of a routine Land Holdings Review report. It is understood that Matlock Town Council will consider whether it should consult again on the end use of this land, with a suggestion that allotments be specifically included in that consultation. In the meantime it is the view of officers that the additional information now available is significant enough that the



decision to transfer the land to the rear of the village hall should be paused until this consultation is completed. Once the consultation is completed Members can reconsider whether that transfer should continue in light of the predicament of the Allotment Association and the end use proposed by Matlock Town Council. This is reflected in recommendation 3 of this report.

2.4 Nevertheless, the primary question that is before this Committee is whether the District Council should seek to compulsorily purchase the existing allotment site. The Allotment Association represents 27 plot holders who are all resident within the district. Collectively they have asked the District Council to consider the compulsory purchase of the land. As more than six people have made representation, the District Council must consider the request.

2.5 Section 25 of the Smallholdings and Allotments Act 1908 contains a power (not a duty) whereby a district, borough or parish council may purchase land either by agreement or compulsorily, for the purpose of providing allotments. The process for compulsory purchase is set out in section 39 of the 1908 Act and in the Acquisition of Land Act 1981.

2.6 The Council has not delegated decision making in relation to this issue to officers and therefore the decision as to how the District Council should proceed must be made by Members. However, officers believe that there are a number of factors that should be taken into account:

- The Asset Management Plan makes no reference to the acquisition of land for allotments;
- There is no provision within the Capital Programme for such an acquisition;
- The potential cost of acquisition is not known but is potentially high.

2.7 The Allotment Association has indicated that it has made an offer to the land owner to buy the site at agricultural land value and has estimated that the total costs of all the works to purchase the site on this basis as £42,900. The Association has indicated that it is confident that between itself and the local community this level of funding could be raised. The Association has also asked that Members be informed of the following:

- The Allotment Association has raised a petition to save Starkholmes Allotments. At the time of writing it is understood that the petition had received 5,034 signatures;
- The Allotment Association has applied to Historic England for the site to be entered on the register of parks and gardens of special historic interest;
- A survey has been undertaken which indicated that applicants could be waiting for up to 9 years before being offered an allotment plot in Derbyshire Dales. It is believed that this survey was informed from a Freedom of Information request and relates only to the 2 allotment sites managed by the District Council, rather than to other allotment sites across the district which are managed by town or parish councils, or which are in private ownership;
- Local information which indicates the possibility of mining works underneath the site, which may be of relevance in relation to any development if the site.

2.8 Taking all these factors into account, the Council should now make a decision as to whether to commence compulsory purchase action in respect

of the Starkholmes allotment site. As previously advised, officers are of the view that whilst the request made by the Allotment Association must be considered, the level of risk involved in pursuing this action is such that the request should be declined.

### **3 RISK ASSESSMENT**

#### **3.1 Legal**

The Council has the power to compulsory purchase land for a number of reasons including for the provision of Allotments. To Compulsory Purchase land needs Secretary of State approval and a number of steps are required before that stage. Even if approved for purchase the decision can be legally challenged which increases the time and cost of purchasing the land. This can result in costs over £10,000 to purchase the land if contested.

Further one of the requirements is to show that attempts to purchase the land by agreement has failed. If the purchase of the land is approved in principle by this committee, further reports will be required in order to obtain the finance to purchase the land and also final approval is required before submitting a request to the Secretary of State for approval confirming that all negotiations have failed and that the Council believe there are insufficient allotments and that there is no other land that could be used to provide allotment space available.

Therefore for the reasoning stated in paragraph 2.1 above, it is not believed that the Council would be able to Compulsory Purchase the site.

#### **3.2 Financial**

As stated in this report, there is no provision within the approved Capital Programme for this acquisition and the potential cost of acquisition is uncertain at this time; the "hope value" that was set out in the September Council report was £2.1m per hectare, which would equate to a value of around £1.7m for this site of 0.8 hectares. The Council does not have capital reserves available to finance such expenditure and would have to remove other projects from the capital programme to make capacity for this project or borrow, or a combination of the two. Any borrowing would result in annual repayments that would increase pressure on revenue spending. To proceed with a compulsory purchase would, therefore, be assessed as a high financial risk; the approval of the report recommendation is assessed as a low financial risk

### **4 OTHER CONSIDERATIONS**

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

4.2 The approved Climate Change Impact Assessment Tool has been completed for this report and is reproduced below. This identifies that a decision that endangers the allotments has the potential to increase food miles for the allotment holders, to increase food packaging waste for the allotment holders, to harm community working in the area and to impact negatively on biodiversity. The negative scores have been reduced as there is the

possibility of working together to provide an alternative site for the allotments.

## **5 CONTACT INFORMATION**

5.1 Tim Braund - Director of Regulatory Services

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## **6 BACKGROUND PAPERS**

6.1 Letter from Starkholmes Allotment Association dated 11 July 2021

## **7 ATTACHMENTS**

7.1 None

Governance & Resources Committee  
18 November 2021

Report of the Director of Resources

## **TREASURY MANAGEMENT ANNUAL REPORT FOR 2020/21**

### **PURPOSE OF REPORT**

This report seeks approval for the Treasury Management Annual Report for 2020/21

### **RECOMMENDATION**

That the Treasury Management Annual Report for 2020/21 and the out turn Prudential Indicators for 2020/21 are noted.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

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

## **1. TREASURY MANAGEMENT ANNUAL REPORT**

### **0.1 Introduction**

The Council has previously adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2020/21 was approved at a meeting on 5th March 2020. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments.

Amend as applicable: The Authority's Capital Strategy for 2020/21, complying with CIPFA's requirement, was approved by full Council on 5<sup>th</sup> March 2020.

## 1.2 EXTERNAL CONTEXT

This part of the report would usually include a commentary on the economic background, financial markets and a credit review relating the position shortly after the Statement of Accounts being produced on 31<sup>st</sup> July 2021. A more up-to-date position of these matters is now available and this has been reported within the Treasury Mid-Year Report 2021/22, also part of this agenda.

## 1.3 LOCAL CONTEXT

On 31st March 2021, the Authority had net investments of £22.5m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	<b>31.3.20 Actual £'000</b>	<b>31.3.21 Actual £'000</b>
General Fund CFR	5,651	5,552
Less: Other debt liabilities	0	0
<b>Borrowing CFR</b>	<b>5,651</b>	<b>5,552</b>
Actual Borrowing	5,450	5,450
Under Borrowing	201	102
Usable Reserves	(22,862)	(26,784)
Less: Working capital	3,182	4,230
<b>Total Investments</b>	<b>(19,680)</b>	<b>(22,554)</b>

The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position as at 31st March 2021 and the change during the year is shown below.

Table 2: Treasury Management Summary

	<b>31.3.20 Balance £'000</b>	<b>2020/21 Movement £'000</b>	<b>31.3.21 Balance £'000</b>	<b>31.3.21 Rate %</b>
<b>Total borrowing</b>	<b>5,450</b>	<b>0</b>	<b>5,450</b>	<b>4.1</b>
Long-Term Investments	1,000	0	1,000	3.71
Short-term Investments	3,000	-3,000	0	0.01
Cash and cash equivalents	15,680	5,874	21,554	
<b>Total investments</b>	<b>19,680</b>	<b>2,874</b>	<b>22,554</b>	<b>0.16</b>
<b>Net investments</b>	<b>14,230</b>	<b>2,874</b>	<b>17,104</b>	

\*This represents the treasury management position as at 31<sup>st</sup> March 2021 from the cash-flow statements.

## 0.4 BORROWING STRATEGY

At 31st March 2021, the Authority held £5.45m of loans from the Public Works Loan Board, the same as the previous year, as part of its strategy for funding previous years' capital programmes.

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In keeping with these objectives, no new borrowing was undertaken in 2020/21.

## 1.5 INVESTMENT ACTIVITY

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2020/21, the Authority's investment balance ranged between £19.7m and £37.1m due to timing differences between income and expenditure. In addition the Authority has been responsible for the receipt and subsequent payment of Business Grants to businesses and Test & Trace payments to individuals as part of the COVID Government schemes. As a result balances have at times been significantly higher than in previous financial years. The year-end investment position is shown in table 3 below.

Table 3: Investments at 31<sup>st</sup> March 2021

<b>Investment Held</b>	<b>Amount £'000</b>	<b>Rate %</b>
Lloyds Bank	5,554	0.00
Aberdeen Liquidity Fund	3,200	0.00
LGIM Sterling Liquidity Fund	4,000	0.00
Insight Liquidity Fund	3,000	0.00
Federated Hermes Short-Term Fund	1,800	0.00
CCLA Deposit Fund	4,000	0.00
CCLA Property Fund	892	3.90
<b>Total</b>	<b>22,446</b>	

\*The CCLA Property Fund reflects the Bid Value Valuation as outlined overleaf. In respect of Money Markets, the rate as at 31/03/21 was 0.00% but during the period an overall return of 0.01% was achieved from Money Market Funds.

During 2021/22 it is expected that approximately £3.5m of Business Grants will be repaid to the Government, subject to any further payments being made to eligible businesses/ individuals during 2021/22 and a final reconciliation. The Authority also received from the Government compensation for reduced Business Rates as a result of various COVID business rates relief measures. The Government has paid the Authority as the billing authority but a proportion of compensation (circa £5m) is due to preceptors in 2021/22. Both these measures have been accrued for within the Statement of Accounts and will result to payments to the Government in 2021/22 and therefore will reduce the balances currently being held.

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking below.

**Table 4: Risk & Return Metrics**

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return (Total Portfolio) %
31 <sup>st</sup> March 2020	4.17	AA-	73%	5	0.54
31 <sup>st</sup> March 2021	4.93	A+	100%	1	0.16
Similar LA	4.63	A+	65%	40	3.93
All LAs	4.63	A+	63%	14	2.26

Compared to other Local Authorities, Derbyshire Dales has received a lower rate of return due to shorter term investments in mainly money market funds during the latter part of the financial year. Similar local authorities have invested more in strategic pooled funds.

### **Externally Managed Pooled Funds – CCLA Property Fund**

£1m of the Authority's investments are held in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated dividends of £38,958 (3.71%) in the year to 31<sup>st</sup> March 2021.

Similar to many other property funds, dealing (i.e. buying or selling units) in the CCLA Local Authorities' Property Fund was suspended by the fund in March 2020 and lifted in September. There was also a change to redemption terms for the CCLA Local

Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions. The capital value of the property fund is shown in Table 3 above and represent a capital loss of £108k. At present a statutory override is in place which in effect means that the valuation loss does not impact upon the budget position of the Authority. The statutory override is in place until 31<sup>st</sup> March 2025 therefore the Authority will continue to monitor the position and make appropriate provisions if necessary.

Whilst the arrival and approval of vaccines against COVID-19 and the removal of Brexit uncertainty that had weighed on UK equities were encouraging developments, dividend and income distribution was dependent on company earnings in a very challenging and uncertain trading environment as well as enforced cuts or deferral required by regulatory authorities.

### **Interest Received compared to Budget 2020/21**

Following the cut in Bank rate from 0.75% to 0.10% in March 2020, the Authority had expected to receive significantly lower income from its cash and short-dated money market investments, including money market funds in 2020/21, as rates on cash investments are close to zero percent.

The budget was revised in year to reflect the difficult trading position and actual interest received was higher than this but significantly less than that compared to 2019/20

Table 5 - Budget Out-turn Position- Interest

<b>Financial Year</b>	<b>Original Budget (Interest Receivable) £</b>	<b>Revised Budget (Interest Receivable) £</b>	<b>Actual £</b>	<b>Revised v Actual Variance £</b>	<b>Average portfolio balance £(m)</b>
2019/20	105,000	139,500	184,400	44,900	20.1m
2020/21	134,472	87,750	95,714	7,964	30.9m

### **Other Non-Treasury Holdings and Activity**

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held £1.45m of such investment in directly owned property.

These investments generated £0.1m of investment income for the Authority after taking account of direct costs, representing a rate of return of 6.96% This is higher than the return earned on treasury investments but reflects the additional risks to the Authority of holding such investments.

## **1.6 COMPLIANCE REPORT**

Compliance with specific investment limits is demonstrated in table 6 below



Table 6: Investment Limits

	<b>2020/21 Maximum</b>	<b>31.3.21 Actual</b>	<b>2020/21 Limit</b>	<b>Complied</b>
Banks Unsecured per bank (1m per counterparty)	£1m	£1m	£1m	✓
Banks – Council's Own banker (Lloyds)	£5.7m	£5.7m	£6m	✓
Local Authorities per Authority	£3m	£0m	£4m	✓
Money Market Funds (per fund)	£8m	£4m	£4m	X
UK Government	£23m	£0m	Unlimited	✓
Pooled Funds	£1m	£1m	£3m	✓

One limit was breached in 2020/21. This was reported to the Committee on 14 January 2021.

The circumstances of the breach were that on 1<sup>st</sup> April 2020 the Authority received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. £36.2m was received, and temporarily invested in short-dated, liquid instruments such as Money Market Funds, other Local Authorities and the Debt Management Office.

The significant amount of funding received (which had not been foreseen when the Treasury Management Strategy was approved by Council on 5 March 2020) and the limits on counterparties deemed by our Treasury Management Strategy caused a breach of up to £8m for a period of 34 days. The excess funds were diversified over a range of money market funds and had a credit rating of AA-, therefore the financial risk was low. This breach was reported to the Council's monitoring office and was rectified on the 5<sup>th</sup> May 2020. The Grant money was disbursed by the end of September.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	<b>2020/21 Maximum</b>	<b>31.3.21 Actual</b>	<b>2020/21 Operational</b>	<b>2020/21 Authorised</b>	<b>Complied</b>

	£(000)	£(000)	Boundary £(000)	Limit £(000)	
Borrowing	5,450	5,450	8,000	11,000	✓
PFI & finance leases	0	0	1,000	1,000	✓
<b>Total debt</b>	<b>5,450</b>	<b>5,450</b>	<b>9,000</b>	<b>12,000</b>	✓

## 1.7. TREASURY MANAGEMENT INDICATORS

The Authority measures and manages its exposures to treasury management risks using the following indicators:

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio.

	31.3.21 Actual	2020/21 Target	Complied
Portfolio Average Credit Rating	A+	AA-	✓

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

	31.3.21 Actual	2020/21 Target	Complied
Total cash available within 3 months	21.5m	6m	✓

**Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates:

Interest rate risk indicator	31.3.21 Actual	2020/21 Limit	Complied
Upper limit on one-year revenue impact of a 1% rise in interest rates	(£225,450)	£85,000	✓
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£11,600	£105,000	✓

The Council's has no loans due to mature. As investment rates are so low a decrease in rates would have minimal impact whereas an increase in rates would generate a further £225k for the Council.

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

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

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

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

**Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2020/21 Actual £	Limit £	Complied
Principal invested beyond year end	1m	3m	✓

The Treasury Management had outlined that further £2m would be considered for longer-term investment but this was not completed during the period due to the prioritising of payments to businesses during the COVID-19 pandemic.

## 1.8 PRUDENTIAL INDICATORS 2020/21

The following Prudential Indicators were outlined in the Capital & Treasury Monitoring Report for 2020/21. The actual performance against these indicators is given below.

Table 8: Prudential Indicator: Estimates of Capital Expenditure.

	2020/21 Original budget £ (000)	2020/21 Revised budget £ (000)	2020/21 Actual v Revised £ (000)	Variance £ (000)
General Fund services	5,650	5,650	5,651	1
Capital investments	7,342	7,790	4,944	(2,846)
TOTAL	12,992	13,440	10,595	(2,845)

As reported to me

mbers in July 2021 as part of the Capital Out-turn report, there has been slippage in the capital programme and some major projects are being completed during 2021/22. Expenditure being £2.846m less than planned, also contributed to the value of balances held as at 31<sup>st</sup> March 2021.

Table 9: Capital Financing

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

	<b>2020/21 Original budget £ (0000)</b>	<b>2020/21 Revised budget £ (000)</b>	<b>2020/21 Actual £ (000)</b>	<b>Variance £ (000)</b>
External sources	493	1,952	1,075	(877)
Own resources	6,849	5,838	3,869	(1,969)
Debt	5,650	5,650	5,651	1
<b>TOTAL</b>	<b>12,992</b>	<b>13,440</b>	<b>10,595</b>	<b>(2,845)</b>

A reduction in overall capital expenditure has reduced funding required in 2020/21

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP repayments and use of capital receipts are as follows:

Table 10: Replacement of debt finance in £'000

	<b>2020/21 budget</b>	<b>2020/21 Actual</b>	<b>Variance</b>
Own resources	99	99	0

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The reduction in CFR was as planned.

Table 11: Prudential Indicator: Estimates of Capital Financing Requirement in £'000

	<b>31.3.2021 budget</b>	<b>31.3.2021 Actual</b>	<b>Variance</b>
General Fund services	5,551	5,551	0
<b>TOTAL CFR</b>	<b>5,551</b>	<b>5,551</b>	<b>0</b>

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.

Table 12: Capital Receipts in £'000

	<b>2020/21 budget</b>	<b>2020/21 actual</b>	<b>Variance</b>
Asset sales	200	57	(143)
Loans repaid	0	0	0
<b>TOTAL</b>	<b>200</b>	<b>57</b>	<b>(143)</b>

The Authority received less capital receipts from Right to Buy Sales administered through Platform Housing Group. No other capital receipts were received.

#### Treasury Investments

As previously discussed, amounts available for investment arose due an increase in COVID funding and a reduction in capital expenditure. Investments were kept short-term during the period with no new longer term investment taking place.

Table 13: Treasury management investments in £'000

	<b>31.3.2021 budget</b>	<b>31.3.2022 Actual</b>	<b>Variance</b>
Near-term investments	9,000	21,544	12,544
Longer-term investments	2,000	1,000	(1,000)
<b>TOTAL</b>	<b>11,000</b>	<b>22,544</b>	<b>11,544</b>

#### Revenue Budget Implications

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

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

	<b>2020/21 budget 000's</b>	<b>2020/21 Actual 000's</b>	<b>Variance 000's</b>
Financing costs (£'000)	368	406	(38)
Proportion of net revenue stream	3.58	3.83	0.25

The proportion has increased as the:-

- The net revenue stream has been budgeted using the estimated council tax & business rates rather than the actual amounts agreed during budget setting.
- There has been a reduction in the interest received compared to the budget therefore this has increased the overall financing costs.

## **2. RISK ASSESSMENT**

### **2.1 Legal**

The report complies with best practice and government guidance on the preparation of the treasury management strategy statement which aims in part, to mitigate financial risk to the Council. The legal risk is therefore low.

### **2.2 Financial**

Actual Interest received from Investments during 2020/21 was £95,714 compared with the revised budget for investment income of £87,750. There are no financial risks arising from this report.

### **2.3 Corporate**

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

## **3. OTHER CONSIDERATIONS**

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

3.2 No detailed climate change impact assessment required on reporting outcomes. However, it is noted that during 2020/21 the Council held several invested funds of significant value (see table 3 in paragraph 1.5). The potential climate change impacts of investments are complex and the Council would need external expertise to understand fully the impacts of any investment. In its recent consultation on the Treasury Management Code of Practice, CIPFA has proposed a new "Treasury Management Practice (TMP)" on Environmental, Social and Governance (ESG) Risk Management. There are, however, no universally agreed and accepted definitions or metrics for environmental, social and governance issues. Officers have explored the options available in terms of engaging a partner to assist the Council in conducting due diligence on current investments and considering and selecting funds with one or

more specific themes such as climate change and transition, clean/renewable energy, sustainability, impact investing. This work would attract a fee – further details can be provided if required.

#### **4. CONTACT INFORMATION**

For further information contact:

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#### **5. BACKGROUND PAPERS**

None

#### **6. ATTACHMENTS**

None

Governance & Resources Committee  
18 November 2021

Report of the Director of Resources

## TREASURY MANAGEMENT MID-YEAR REPORT 2021/22

### PURPOSE OF REPORT

This report seeks approval for the Treasury Management Mid-Year report for 2021/22.

### RECOMMENDATION

That the Treasury Management Mid-Year Report for 2021/22 be noted.

### WARDS AFFECTED

All.

### STRATEGIC LINK

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

## 1 BACKGROUND

- 1.1 This report fulfils the Authority's legal obligation to have regard to the CIPFA Code which requires the Authority to approve Treasury Management semi-annual and annual reports.
- The Treasury Management Strategy report for 2021/22 was approved at meeting on 18th March 2021.
  - The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are, therefore, central to the Authority's treasury management strategy.

## 2 REPORTING REQUIREMENTS

- 2.1 As outlined in the Treasury Management Strategy, the Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.
- 2.2 This report fulfils part of this requirement by providing the **mid-year treasury management report**. – The report updates members with the progress of the capital position, comparing the actual treasury management position against the estimated, as at 30<sup>th</sup> September 2021.

### Scrutiny

- 2.3 The above reports are adequately scrutinised by the Corporate Leadership Team before being recommended to the Council or Committee.



### **3. EXTERNAL CONTEXT**

#### **3.1. Economic Background**

- 3.1.1 The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.
- 3.1.2 The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish (meaning that there is a risk of further growth in rates in the future).
- 3.1.3 Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant
- 3.1.4 The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.
- 3.1.5 Annual CPI inflation rose by 2.9% in the 12 months to September 2021, down from 3.0% in the 12 months to August. The largest upward contribution to the September 2021 CPIH 12-month inflation rate came from transport (0.91 percentage points) with further large upward contributions from housing and household services (0.69 percentage points), restaurants and hotels (0.34 percentage points), and recreation and culture (0.31 percentage points).. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.

#### **3.2 Financial Markets**

- 3.2.1 Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record

high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

3.2.2 Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instances, led to higher prices.

3.2.3 The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10 year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

### **3.3 Credit Review**

3.3.1 Credit default swap spreads were flat over most of the period and are broadly in line with their pre-pandemic levels. Over the period Fitch and Moody's upwardly revised to stable the outlook on a number of UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.

3.3.2 The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

3.3.3 At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.

## **4. LOCAL CONTEXT**

4.1 On 31st March 2021, the Authority had net investments of £17.1m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

4.2 The treasury management position on 31st March 2021 and the change over the six months to 30th September is shown in Table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.21 £'000</b>	<b>Movement £'000</b>	<b>30.09.21 £'000</b>	<b>30.09.21 Rate %</b>
Total Borrowing	5,450	0	5,450	4.1
Long-term investments	1,000	0	1,000	4.5
Short-term Investments	0	0	0	0
Cash & cash equivalents	21,554	7,308	28,862	0.01
Total Investments	22,554		29,862	0.15
Net Investments	17,104	7,308	24,412	

\*This represents the treasury management position as at 30<sup>th</sup> September 2021 from the cash-flow statements

### **Borrowing Update**

- 4.3 Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.

- 4.4 Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders. Further changes to the CIPFA Prudential Code expected in December 2021 are likely to prohibit borrowing for the primary purpose of commercial return even where the source of borrowing is not the PWLB

The Council is not planning to purchase any investment assets primarily for yield within the next three years and so is able fully access the PWLB.

- 4.5 The settlement time for a PWLB loan has been extended from two working days (T+2) to five working days (T+5). In a move to protect the PWLB against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and the interest charged on late repayments will be the higher of Bank of England Base Rate or 0.1%.

### Borrowing Strategy during the period

- 4.6 At 31<sup>st</sup> March 2021 the Authority held £5.45m of loans from the Public Works Loan Board, the same as the previous year, as part of its strategy for funding previous years' capital programme.
- 4.7 There has been no change in the borrowing position during the current period.

### **Treasury Investment Activity**

- 4.8 As outlined in the Treasury Management out-turn report (also on this agenda) the Authority received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. A further £14.7m was received, temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds. £16m was disbursed by the end of September.
- 4.9 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held [and money borrowed in advance of need]. During the year, the Authority's investment balances ranged between £3.4m and £6.5m million due to timing differences between income and expenditure. The investment position is shown in table 3 below.

Table 3: Treasury Investment Position

<b>Investment Held</b>	<b>Balance 31.03.21 £'000</b>	<b>Movement £'000</b>	<b>Balance 30.09.21 £'000</b>
Lloyds Bank	5,554	(841)	4,713
Natwest Bank	0	149	149
Aberdeen Liquidity Fund	3,200	800	4,000
LGIM Sterling Liquidity Fund	4,000	0	4,000
Insight Liquidity Fund	3,000	1,000	4,000
Federated Hermes Short-Term Fund	1,800	2,200	4,000
Aviva	0	4,000	4,000
CCLA Deposit Fund	4,000	0	4,000
CCLA Property Fund	892	62	954
<b>Total</b>	<b>22,446</b>	<b>7,370</b>	<b>29,816</b>

- For Internal investments, the value is the sum initially invested, for external funds, the value is the fund's bid price on the quarter end date multiplied by the number of units held.
  - Returns quoted for the CCLA Property fund include initial losses on the purchase of the shares. On an income only basis the fund currently returns 3.4%. The bid value of the fund has increased by £62,000 over the past 6 months.
- 4.10 Ultra low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee cuts or waivers should result in MMF net yields having a floor of zero, but the possibility cannot be ruled out.

- 4.11 Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

### **Non-Treasury Investments**

- 4.12 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 4.13 The Authority also holds £1.45m of such investments in directly owned commercial property that is leased out. These investments remain on track to generate £0.1m of investment income by the end of the financial year.

### **Treasury Performance**

- 4.14 The Authority measures the financial performance of its treasury management activities in terms of its impact on the revenue Budget. Investment income for the first half of the year is largely as forecast.

<b>Financial Year (Apr to Sept)</b>	<b>Original Budget (Apr to Sept (Interest Receivable) £)</b>	<b>Actual £</b>	<b>Original v Actual Variance £</b>	<b>Average portfolio balance £(m)</b>
2021/22	18,500	18,386	(114)	25m

- 4.15 Both the CIPFA code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum return to the security and yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 4.16 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in the table below.

**Table 4; Investment Benchmarking – Treasury Investments Managed In-House**

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in exposure</b>	<b>Weighted Average maturity (days)</b>	<b>Rate of Return (total portfolio)</b>
31.03.21	4.93	A+	100%	1	0.16
30.09.21	4.83	A+	100%	1	0.15
Similar LAs	4.57	A+	69%	32	1.20

All LAs	4.58	A+	69%	10	0.78
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Given the increasing risk and low returns from short-term unsecured bank investments, the Authority will be looking to diversify into more secure and high yielding asset classes.

## 5. COMPLIANCE REPORT

- 5.1 The Director of Resources is pleased to report that all treasury management activities undertaken complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

Compliance with specific investment limits is demonstrated in table 5 below.

Table 5: Investment levels

	<b>30.09.21 Max during the period</b>	<b>2021/22 Limit</b>	<b>Complied</b>
Banks – Council's Own Banker (Lloyds)	£6.9	£7m	✓
Local Authorities per Authority	£0	£4m	✓
Money Market Funds Total	£4m (each in 6 funds)	£4m	✓
UK Government	£6m	Unlimited	✓
Strategic Funds	£1m	£4m	✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below.

Table 6: Debt Limits

	<b>30.09.21 Actual</b>	<b>2021/22 Operational Boundary</b>	<b>2021/22 Authorised Limit</b>	<b>Complied</b>
Borrowing	5,450	8,000	11,000	✓
PFI & finance leases	0	1,000	1,000	✓
<b>Total debt</b>	<b>5,450</b>	<b>9,000</b>	<b>12,000</b>	✓

- 5.2 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

## 6. TREASURY MANAGEMENT INDICATORS

- 6.1 The Authority measures and manages its exposures to treasury management risks using the following indicators:

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio.

	<b>30.09.21 Actual</b>	<b>2021/22 Target</b>	<b>Complied</b>
Portfolio average credit rating/score	A+	A	✓

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

	<b>30.09.21 Actual (000's)</b>	<b>2021/22 Target (000's)</b>	<b>Complied</b>
Total cash available within 3 months	28,862	7,000	✓
Total sum borrowed in past months without prior notice	0	n/a	✓

Exploration of longer term investment is being considered as further information around the return of amounts set aside for repayment to the Government are known.

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

	<b>Forecast position £</b>	<b>2021/22 Limit £</b>
Impact of one-year revenue impact of a 1% rise in interest rates	(298,620)	85,000
Impact on one-year revenue impact of a 1% fall in interest rates	12,400	105,000

There has been no material change to the position reported within the 2020/21 out-turn report also part of this Agenda. With no imminent maturing of loans a rise in interest rates on its investments would benefit the Councils overall financing costs position.

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

	30.09.21 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	0	35%	0%	✓
12 months and within 24 months	0	50%	0%	✓
24 months and within 5 years	0	65%	0%	✓
5 years and within 10 years	0	80%	0%	✓
10 years and above	100%	100%	0%	✓

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

**Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2021/22 £000	2022/23 £000	2022/23 £000
Actual principal invested beyond year end	1,000	1,000	1,000
Limit on principal invested beyond year end	5,000	5,000	5,000
Complied	✓	✓	✓

## 7. Arlingclose's Economic Outlook for the remainder of 2021/22 (based on the October 2021 interest rate forecast)

7.1 Arlingclose expects Bank Rates to rise in Q2 2022. We believe this is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

7.2 Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.



- 7.3 The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.
- 7.4 While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.
- 7.5 Inflation rose to 2.9% in September 2021. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.
- 7.6 The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increased in wages is possible given the pressures on businesses.
- 7.7 Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- 7.8 The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

## **8 RISK ASSESSMENT**

### **8.1 Legal**

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

### **8.2 Financial**

Financial Information is contained within the report. The budget for investment income in the first half of year to 30th September is £18,500, Actual Investment income earned is £18,386. If actual levels of investments and actual rates differ from those forecast, performance against budget will be correspondingly different. There are no financial risks arising from the recommendations of this report.

### **8.3 Corporate**

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

## **9 OTHER CONSIDERATIONS**

- 9.1 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.
- 9.2 No detailed climate change impact assessment required on reporting outcomes. However, it is noted that the Council holds significant invested funds (see table 3 in paragraph 4.9). The potential climate change impacts of investments are complex and the Council would need external expertise to understand fully the impacts of any investment. In its recent consultation on the Treasury Management Code of Practice, CIPFA has proposed a new “Treasury Management Practice (TMP)” on Environmental, Social and Governance (ESG) Risk Management. There are, however, no universally agreed and accepted definitions or metrics for environmental, social and governance issues. Officers have explored the options available in terms of engaging a partner to assist the Council in conducting due diligence on current investments and considering and selecting funds with one or more specific themes such as climate change and transition, clean/renewable energy, sustainability, impact investing. This work would attract a fee – further details can be provided if required.

## **10 CONTACT INFORMATION**

- 10.1 Karen Henriksen – Director of Resources  
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## **11 BACKGROUND PAPERS**

None

## **12 ATTACHMENTS**

None

Governance & Resources Committee  
18 November 2021

Report of the Director of Corporate and Customer Services

## **COMMUNICATIONS AND MARKETING STRATEGY**

### **SUMMARY**

The Communication and Marketing Strategy sets out how residents, employees and service users are kept informed about what the District Council is doing, how it is spending public money, and the District Council services they can access.

### **RECOMMENDATION**

1. That the strategic framework of the current Communications and Marketing Strategy is noted.
2. That the Action Plan for 2021 is approved.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

Good communications with residents, employees and service users is key to all the District Council's corporate priorities and pivotal to providing excellent services.

---

### **1. BACKGROUND**

- 1.1 The District Council adopted its current Communications and Marketing Strategy in September 2014, reflecting the development of technology and the needs both of the public and the District Council, which had evolved dramatically since the previous strategy's adoption in 2011. This seventh annual update sets ambitious yet realistic targets to support the Council's Corporate Objectives and core values.
- 1.2 The aim of the Strategy is to ensure our communications help to promote a positive image of the Council, and, in marketing terms, help us to meet the needs and wants of our customers in a fast moving digital world.
- 1.3 The adopted Strategy sets out a multi-channel approach to reach a wide variety of customers and stakeholders, underlining traditional forms of communication while embracing more modern approaches.
- 1.4 Communicating well is the responsibility of everyone and the Strategy is designed to be a useful tool for the corporate leadership team, heads of services and all employees and elected members. It sets a framework for communications and gives direction to all media, online, internal, marketing, publications and public relations communications actively undertake on behalf of the district council.

1.5 The Communications and Marketing Strategy sets out ways to:

- Make the Council easy to understand and talk to
- Co-ordinate and direct communications
- Ensure that everyone understands our targets and what the outcomes will be
- Ensure that staff and partners understand their contribution
- Make sure people know the outcome of the changes the District Council makes
- Ensure openness and transparency
- Make people feel better informed, proud to live in Derbyshire Dales, proud to work for the Council and proud to work with it.

1.6 The Strategy (attached as Appendix 1) is without a timeframe. This is deliberate and seeks to set a strategic framework with a more dynamic approach to actions which can be measured by way of an Annual Action Plan, monitored by a Communications & Marketing Hub, comprising officers from all Council service areas.

## **2. REVIEW OF 2021 ACTION PLAN**

2.1 ACTION: Install new signage in our three larger parks in Ashbourne, Bakewell and Matlock to create awareness of the Council's responsibility for those facilities, make the public aware of and abide by Public Space Protection Orders and replace the proliferation of smaller "official" signs (there are more than 100 of these in Hall Leys Park alone). Ward members will be consulted on final designs when these are available. This is the final (lapsed) part of a successful signage project launched by the Communications & Marketing Hub in 2018, where £10,000 sponsorship income was generated in replacing, at a cost of £3,000, dilapidated boundary welcome signs. A second phase of the signage project saw signs installed in our 30 smaller parks and gardens and at the Town Hall. Funding for the larger parks signage is set aside in the communications budget, in part comprising unused sponsorship income.

PROGRESS: This project has progressed to final designs for approval, but has once again been slowed down first by other priorities, not least Covid and waste communications and second by the unavoidable delay in carrying out the planned PSPO consultation. It makes sense that we wait until new PSPOs are approved before manufacturing the signs.

2.2 ACTION: Promote the Public Space Protection Orders (PSPO) review early in 2021 and amend existing parks signage where applicable after current PSPOs expire on 31st October 2021.

PROGRESS: As referred to above, the PSPO review has been delayed, but we currently promoting the consultation.

2.3 ACTION: Work with partners to create signage and promotional messages to discourage the use of disposable barbecues and open fires in the Derbyshire Dales.

PROGRESS: 8ft x 3ft outdoor banners were installed in our main parks in the spring of 2021, discouraging litter and barbecues and promoting the Firestoppers contact

details. These banners are still in place in most of the parks, together with additional Firestoppers signage installed by Derbyshire Fire & Rescue Service.

- 2.4 ACTION: Promote the Derbyshire Dales as a business destination by facilitating on behalf of the District Council's Economic Development Team a microsite, including case study video content.

PROGRESS: Communications & Marketing has been largely hands-off in this project, which is being driven forward by our in-house Economic Development and ICT teams and is nearing completion. Comms have however provided promotional advice.

- 2.5 ACTION: Improve the quality of live video broadcasts by upgrading the live stream infrastructure, including the sound system in the Council Chamber, and work with the Committee Team to plan the facilitation of "blended" meetings (where some Members and officers might potentially attend in person and others via Zoom) in anticipation of coronavirus restrictions easing sometime in 2021.

PROGRESS: This action became a lower priority while the Council was meeting remotely, but we have significantly improved the sound quality of live broadcasts from the Council Chamber by wiring direct into the infrared sound system. More work is need to further improve the sound quality in the actual room. Our Transformation Team has taken on the task of enabling blended meetings.

- 2.6 ACTION: Ensure all leases and licences include District Council branding by condition to enhance the authority's reputation, linking to a new Events Strategy.

PROGRESS: This continues.

- 2.7 ACTION: Continue to utilise our online panel to gauge the overall level of satisfaction in the District Council.

PROGRESS: This continues. Our Policy Officer has access via Survey Monkey to around 950 people who have signed up to our online panel. An annual satisfaction survey is facilitated, and the Communications Department also continues to create ongoing satisfaction surveys for individual service areas.

- 2.8 ACTION: Continue to generate sponsorship to support the Action Plan, focusing on welcome signs, parks signs and Big Belly Bins, introducing poster frames to the Big Belly Bins and additional commercial income from advertising in our paid-for public toilets and the Dales Matters publication.

PROGRESS: It's been very difficult to attract commercial income during the pandemic, though we have secured advertising revenue in our public toilets and in the Dales Matters publication.

- 2.9 ACTION: Continue to measure the success of large event promotions and marketing (eg Matlock Bath Illuminations) via social media engagement tools, post-event surveys and takings/visitor numbers.

PROGRESS: No Cow Shed Beer Festival again this year but Communications & Marketing played a key role in the successful return of the District Council's Matlock

Bath Illuminations, which recorded several sell-out nights and total attendances of well over 50,000. Once again we adopted a no-cost marketing campaign, making good use of our dedicated Illuminations Facebook page, which now has more than 39,000 followers (and associated Instagram page). One Facebook post at the start of the season reached a record (for the District Council) half a million people - and all at no cost to the Council. To get our tone and messaging right, we always study Facebook analytics to make us more aware of our audience. So, for example, of the 39,000 people who follow the Illuminations page 86% are female – and 62% are female aged between 25-44, which is our core audience. In terms of where they live, most follow the page from the Sheffield area (2,873), followed by Derby (1,998), Stoke on Trent (1,979), Mansfield (1,885), Nottingham (1,609) and Chesterfield (1,153). So we are talking mainly to visitors from outside the area – the first Derbyshire Dales area on the list, in 12<sup>th</sup> place, is Matlock (680).

- 2.10 ACTION: The Hub will take the lead on important corporate communications issues, including actions from the waste procurement process.

PROGRESS: Communications have played an important role throughout the pandemic to date, utilising every available channel to ensure as many of our residents as possible are kept informed on guidance and developments. Communications also had a leading role to play in communicating the flooding problems at the start of this year, providing a 24/7 update service for residents, councillors and staff. Promotion of the garden waste subscription scheme achieved a better than anticipated take-up. Marketing work included designing leaflets, banners and organising website and social media promotions, together with local newspaper advertising, email sign-offs and creating information for the 9,000 residents who are signed up to our email database.

### **3. NEW ACTION PLAN, 2022**

- 3.1 Complete new signage project in our three larger parks in Ashbourne, Bakewell and Matlock to create awareness of the Council's responsibility for those facilities, make the public aware of and abide by Public Space Protection Orders and replace the proliferation of smaller "official" signs. Ward members will be consulted on final designs when these are available.
- 3.2 Work with our in-house IT team to improve and revamp at low cost but with high spec the official [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk) website, reducing the number of pages and making it more engaging, even easier to navigate and to get information about and transact business with the District Council. There will be a big focus on accessibility, aiming towards meeting the WCAG 2.1 AA standard. To note: in the past year the site has recorded 1.54-million visits (Google Analytics), a 46% increase on the previous year (so although a fix is sensible, it isn't broken!).
- 3.3 Improve the sound system in the Council Chamber.
- 3.4 Ensure all leases and licences include District Council branding requirements by condition to enhance the authority's reputation, linking to the Events Strategy.
- 3.5 Continue to utilise our online panel to gauge the overall level of satisfaction in the District Council.

- 3.6 Continue to generate sponsorship to support the Action Plan, focusing on welcome signs, parks signs and Big Belly Bins, introducing poster frames to the Big Belly Bins and additional commercial income from advertising in our paid-for public toilets and the Dales Matters publication.
- 3.7 Continue to measure the success of large event promotions and marketing (eg Matlock Bath Illuminations and the Garden Waste Scheme) via social media engagement tools, webform analytics, post-event surveys and takings/visitor numbers.
- 3.8 The Hub will take the lead on important corporate communications issues, including crisis communications.

## **4. RISK ASSESSMENT**

### **4.1 Legal**

An effective communications strategy helps to reinforce the District Council's ambition and raises proper accountability. The Strategy has been framed within the legislative framework regarding publicity.

All signage informing the public of PSPOs needs to confirm with all legal requirements and relevant guidance. The legal risk is therefore low.

### **4.2 Financial**

The Communications Strategy can be delivered within existing budgets and, therefore, the financial risk arising from this report is low.

## **5. OTHER CONSIDERATIONS**

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

## **6. CONTACT INFORMATION**

- 6.1 James McLaughlin - Director of Corporate and Customer Services,  
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## **7. BACKGROUND INFORMATION**

None

## **8. APPENDICES**

- 8.1 Appendix 1 – Communications & Marketing Strategy





# COMMUNICATIONS & MARKETING STRATEGY

November 2021



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# COMMUNICATIONS & MARKETING STRATEGY

(Adopted, Corporate Committee, 18 September 2014)

(Latest action plan approved by Governance & Resources Committee, 19 November 2020)

## Introduction

Communication plays an important role in everything we do at Derbyshire Dales District Council.

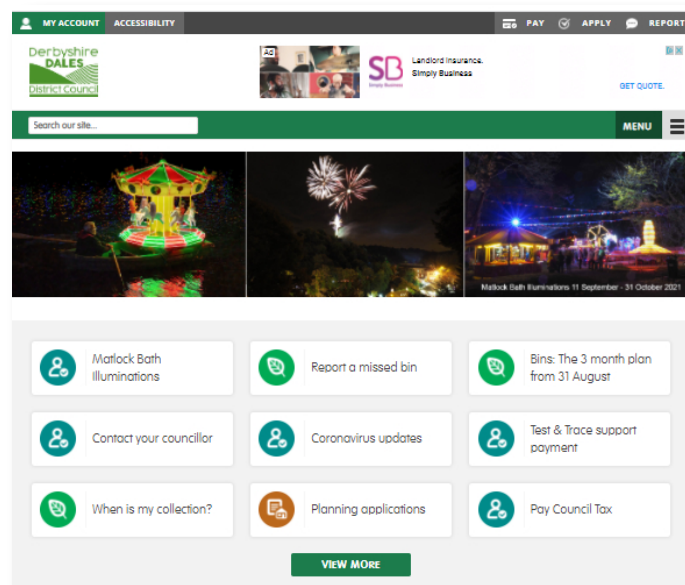
Communicating well is the responsibility of everyone at the District Council, not just the communications team. This strategy is designed to be a useful tool for the corporate leadership team, heads of services, all employees and council members.

It sets a framework for district council communications and gives direction to all media, online, internal, marketing, publications and public relations communications activity undertaken on behalf of the district council.

Our commitment is to use a multi-channel approach to reach the wide variety of customers and stakeholders we serve, including residents, employees, businesses, community partners, visitors to the district and all levels of government.

Externally, a key focus is to promote the district council's services to give us a competitive edge, supporting and enhancing regular activities.

Internal communications will involve all staff in shaping services as the district council continues to go through major changes.



We will seek to provide communications services on the most cost-effective basis, for example by accelerating our shift towards digital communications and taking a “digital first” position on crisis management.

We will commit to continuing improvement of the usefulness of our website and keep content fresh and updated as we move a greater share of our communications activity online, utilising free social media channels.

Communication works best when it is a two-way process (we need to listen as well as talk) and when messages are clear and easy to understand. Our social media channels (particularly Facebook and Twitter) provide a voice for local people to air their views and discuss issues with the council.

The challenge for an organisation with more than 100,000 customers and a large range of services is how it communicates clearly and simply in a complex and constantly changing environment, with ever increasing financial pressures. This strategy seeks to address that challenge.

Research shows that communication with residents is a key driver to overall satisfaction with council performance. It is also at the heart of good customer service and effective, meaningful consultation – and critical to delivery of the council’s role in the community.

This strategy sets out the framework within which we can respond to this challenge.



## Aims, Vision and Objectives

### Aims

The ultimate aim of our communications is that all staff, residents, partners and everyone who deals with the council will have a clear understanding and a positive perception of our vision, aims, values, services and achievements, leading to higher levels of satisfaction and engagement.

### Vision

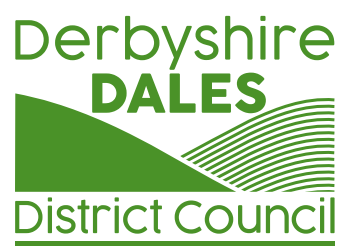
*What are we trying to do?*

To make its vision come alive, the district council must be able to communicate with (and influence) a wide range of organisations, individuals and partners.

We therefore need to...

- make the council easy to understand and talk to
- coordinate and direct communications so that all parts of the district council are working towards shared objectives, in support of council strategy
- ensure that everyone understands our targets, and what the outcomes will be – showing people what success looks like
- ensure staff and partners understand their contribution through clear objectives, milestones and deadlines
- make sure people know the outcome of the changes the district council makes
- ensure openness and transparency
- make people feel better informed, proud to live in Derbyshire Dales, proud to work for the council, and proud to work with it.

In other words, we need to continue to build the district council as *a brand*.



The visual element of this brand – our corporate identity – is generally understood by staff and customers. Our brand is an important communications tool, made up of these components...

- Our overall purpose – *what are we here for?*
- Our values – *what drives us to do the things we do?*
- Our key messages – *what are we saying about what we offer?*
- Our service delivery – *what do we provide, compared with what we promise?*
- Our behaviour – *how do we treat our customers and our staff?*

It is important we bring these elements together in a unified approach across all communications channels, so that we are consistent in tone, look and feel. People need to understand who we are and what we stand for.

## Objectives

- To secure and strengthen the reputation of the council in the community as an effective and efficient provider of high quality outcomes - focused on our values and priorities
- To build and maintain a professional corporate identity for consistent and co-ordinated use throughout the organisation
- To promote the image of the council as an effective, efficient and listening organisation focused on the public and their needs
- To ensure that communications are consistent and co-ordinated across all channels to give maximum support to the council's strategic priorities
- To ensure all staff understand the priorities of the council and feel valued and able to contribute to major changes affecting services they provide
- To ensure that our communications activities reflect the full diversity of the community and help ensure equality of access to all our services.

It is important also that the district council increases its efforts to understand what local communities are saying.

This strategy will dovetail with our Consultation & Engagement Strategy in sharing information gained through consultation programmes such as citizens' panel consultation, channel shift initiatives and increasing use of new technology devices to generate instant feedback on topical issues.

## Delivering our objectives



The district council's reputation is based on perceptions – how people see us. Managing our reputation means first of all understanding what those perceptions are, deciding how we want to be seen, and planning how to get there.

We will tackle this by focusing internal capacity on the district council's key messages and ensuring that the most appropriate level of resource is available for our key priorities and activities.

**Our communications platforms can be broken down into three:**

- **Traditional Media, Publications, Campaigns and PR** ■
- **Digital and Social Media** ■
- **Internal Communications** ■



We will seek to maintain and further improve positive media coverage and develop our media relations service to promote and defend the council, recognising the proven link between the public's sense of feeling informed and feeling satisfied. Our target is to issue at least one positive media release every week of the year, alongside, where possible, engaging photography (chiefly taken in-house).



It will also be the responsibility of the communications team to handle a communications problem or bundle of problems by identifying:

- the nature of the problem or challenge
- the key considerations in addressing it
- the key drivers of those decisions (crucially, insight into audiences)
- the resources required
- the stages to go through

We will issue reactive statements to media on request after gaining advice and approval first from the head of service (corporate management team member) and/or council leaders. Despite our increasing focus on e-communications channels, the twice-yearly Dales Matters newsletter, delivered to all 35,000 homes in the district, remains an important communications tool. 90% of our citizens' panel (surveyed November 2013) had seen a copy of Dales Matters and 75% read half or most of it.

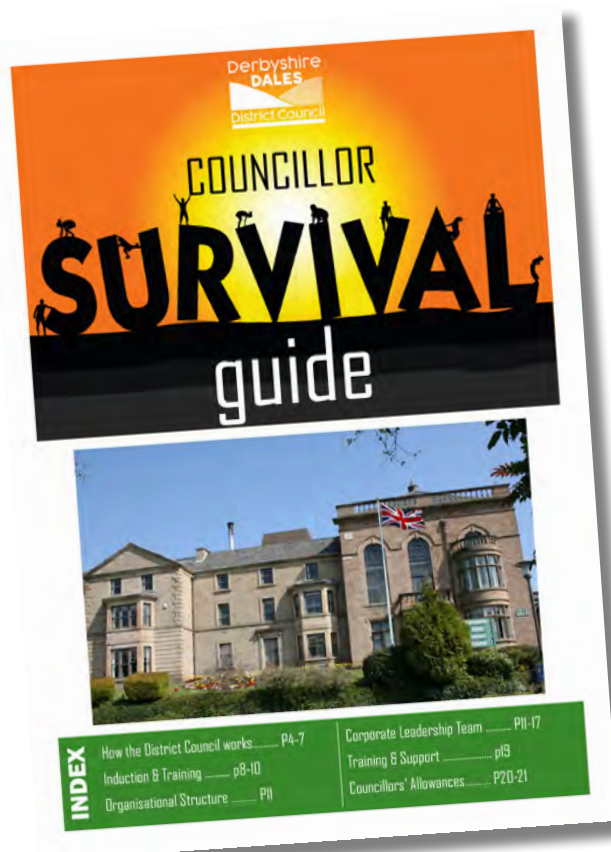
We will continue to edit, design and organise publication and distribution of Dales Matters, directed by an editorial panel (the Communications & Marketing Hub) comprising a representative from every service area.

Similarly, we will edit, design and organise publication of other special publications, advertisements and promotional material, such as:

- Anti-litter posters and banners
- Agricultural Business Centre annual leaflet (including Bakewell Farmers' Market dates)
- Resident leaflets such as the Garden Waste subscription scheme and waste and recycling update
- Other leaflets and fact sheets



- Other leaflets and fact sheets





We will maintain and develop our programme of media and integrated **campaigns** that underpin the district council's values and priorities.

We will use no/low-cost external sites such as poster frames in our pay & display car parks and public toilets to promote our services, including:

- Markets
- Parks and open spaces
- Special events such as our Matlock Bath Illuminations
- Do it online campaigns (channel shift)



The communications team, in consultation with the head of corporate & customer services, will regularly change the organisation's corporate email sign-off as another channel to promote ongoing campaigns.

We will continue to evaluate and cost the potential of paid-for media (including local commercial radio stations and newspapers/magazines) to further promote our campaigns.

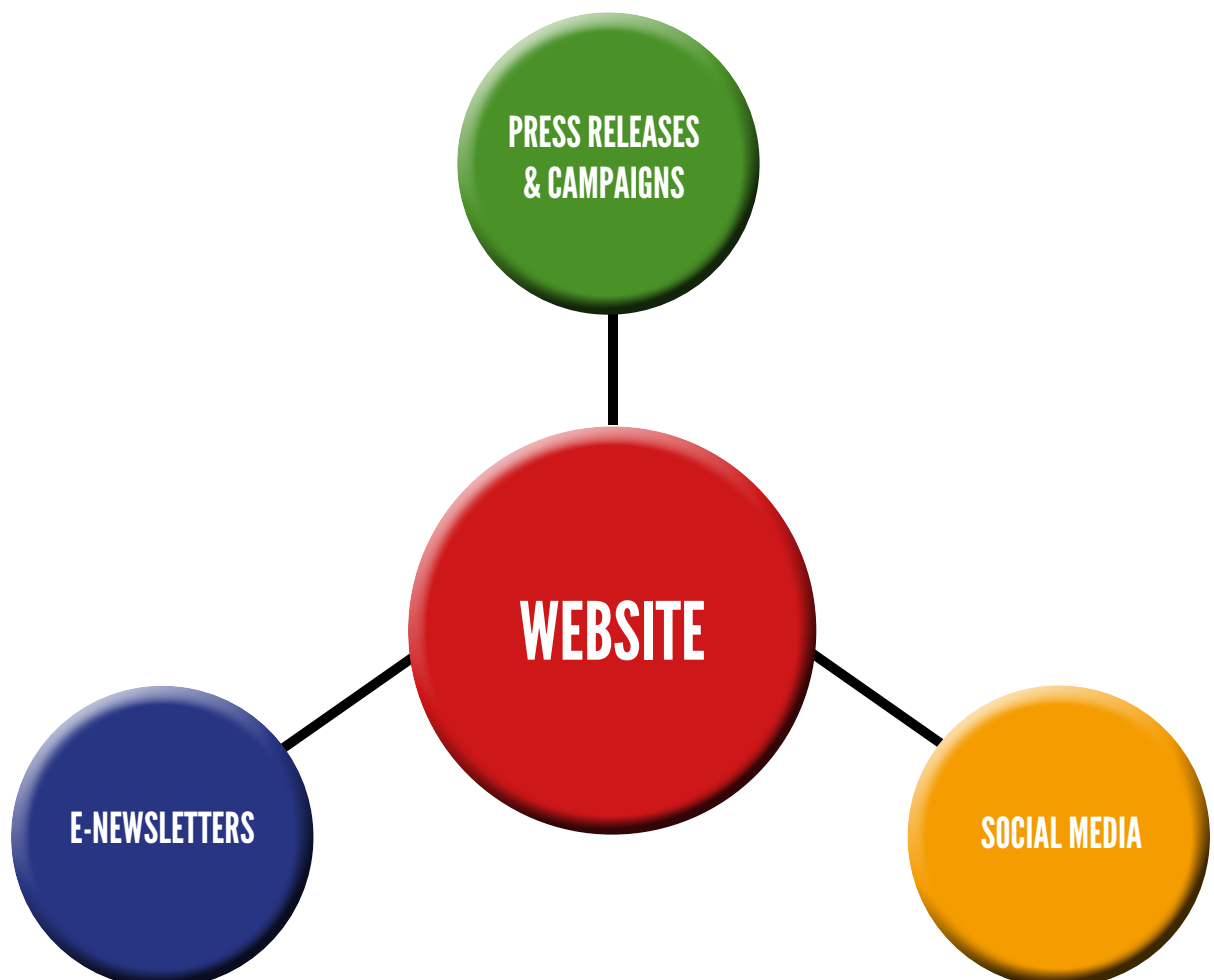
We recognise the value of our website as a source of information, as a point for customer transactions and as a low-cost alternative to face-to-face and telephone contact.

Our communications have a digital focus, building on the platform created by our website, a mobile-friendly version of which was relaunched in 2016, again using an open source (Joomla) content management system to serve the public and businesses of Derbyshire Dales. A new homepage promoting new and updated CRM webforms was launched in April 2020 and a totally re-worked website will go into development in 2022.

We are committed to continually reviewing and developing the website to make it even easier to find the information residents and stakeholders need, to report faults and incidents, to ask questions and to conduct many different types of transactions, all in a 24/7 environment.

Not only is this usually faster than alternative methods of contact, it means residents can conduct their business with the district council when and where they like, while doing so at a lower cost to the taxpayer. We will aim to further increase use of the website, which currently attracts more than 128,600 visits every month (source: Google Analytics, year to October 2021) and is the “hub” of our communications. The number of visits to our website in the year to October 2021 was 1.54-million – a 46% increase on the previous year (4.17-million page views).

Coronavirus lockdowns in 2020/21 undoubtedly helped drive additional transactions online.



We are committed to continuing to improve visitor numbers and the accessibility of the website, creating new web forms and payment portals (new CRM launched April 2020).

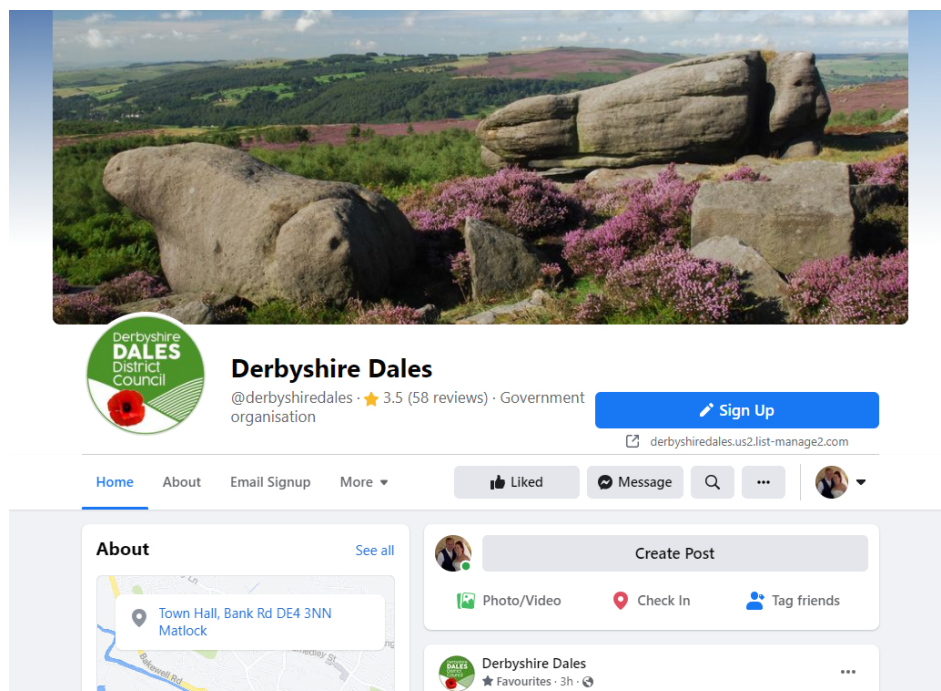
We applied the same principles to the development of a new intranet site for staff (launched autumn 2014 and redeveloped in November 2020).

**Social media** platforms have become an integral part of our communications strategy. We recognise the opportunities that social media can deliver in terms of reputation enhancement, engaging with the public using their medium of choice, greater two-way dialogue and the insights that social media can provide, and as an opportunity to reduce cost versus other communications channels.

We exploit the penetration of social media in dealing with crisis communications, providing regular news updates on our digital channels to create a channel shift away from phone calls to service centres during busy periods.

While operating and monitoring established Facebook, Twitter, Instagram and YouTube channels, we will continue to examine the potential of other social media platforms such as **TikTok**. The Communications & Marketing Team also assist and train other District Council service areas in setting up their own social media channels on request.

We are also alive to other potential channels such as **apps**. While our CRM partner is developing an app for our Clean & Green Team, they don't offer customer-facing apps due to a combination of factors including low uptake/usage. Essentially, because apps have to be developed to work with multiple different operating systems, they incur high production and maintenance costs. On top of the cost aspects, there is no real benefit to using an app over website for our services. Features such as locations services and cameras are the only elements we might want to use from a mobile device when reporting issues etc, but these can be accessed directly from the website anyway, so aren't a lost feature.





We continue to use social media management tools such as Hootsuite to monitor our social media activity and also gain a better understanding of the conversations about us in which we are not currently participating.

In parallel with the development of this Communications Strategy, we continue to promote and, where necessary, update, our [social media policy](#) and staff guidelines.

We are also building our **e-newsletter** (MailChimp) database (8,370 contacts, October 2021), enabling us to target key messages on a regular basis to engaged people in our communities. We recognise the huge potential of e-newsletters as an effective communications channel.

**Surveys and questionnaires** supporting the council's consultations with residents, businesses and other stakeholders will be digital by default. We live in a digital age, and while paper versions of online surveys and questionnaires will be made available on request, our digital by default policy recognises that the vast majority of our residents now have access to the internet directly or indirectly through family, friends and their local library.

Adding paper-based consultation feedback to the digital survey database is time-consuming and resource-heavy for the council. A digital-first approach also reduces impact on the environment and increases the efficiency of the data collection operation. Consultations are promoted using a combination of digital and traditional media and, where timing allows, through the twice-yearly Dales Matters residents' newsletter.



**Internal communications** play a key role in ensuring staff keep in touch with the district council's plans and priorities, and the challenges ahead.

Employees need to understand how their actions contribute to the overall achievement of priorities and how their behaviour affects the way the organisation is perceived internally and externally.

Our internal communications will include:

- Publication of internal newsletters and blogs, including regular blogs from the Chief Executive (average fortnightly frequency)



**Paul's Post #62**  
Thursday 21st October, 2021

**COVID-19 ORGANISATIONAL ROADMAP AND RECOVERY PLAN**



As previously advised, on Monday 11<sup>th</sup> October the Town Hall Reception was reopened to customers on a reduced hours basis (9.30am - 12.00 noon) for a trial period of potentially 3 months. During the first week of operation, we have received 37 visitors comprising CAB (9), Council Tax (10), Gold Card (7), Officer Appointments (4), Other General (7).

- Regular all-staff emails
- In-house posters
- An intranet-based feedback form ("My Say") where staff can feed back comments (anonymously if desired) and suggest good ideas
- A new (November 2020) more accessible intranet site (SIDD)

**SIDD** Search for news, staff, anything... Search User Staff

Home	News	Blog
CLT Minutes	Departments	Documents A-Z
Events	Help	Rooms

**Love in a Bag Derbyshire**  
Wednesday 27th October, 2021

Thank you to Carolyn Lucas for the following information:

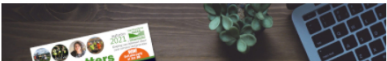
**Love in a Bag - help make a difference to women, men and children in need**

Last year I saw this way of giving and thought what a lovely idea it was to provide direct help to people who were in a crisis.

If you would like to contribute:

[Read More](#) Comment (0)

**Autumn 2021 Dales Matters**  
Monday 25th October, 2021

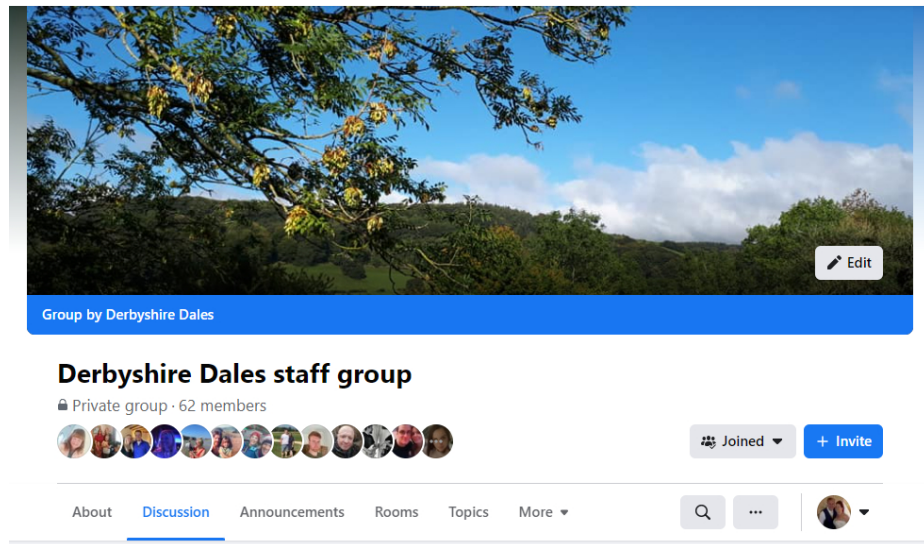


**Events**  
Sorry, there are currently no events in the calendar.  
Please check back soon for updates.

**Who's Who**

- DDDC Website
- CLT
- Councillors

- Screensaver messages on staff PCs
- Core briefings videos to get our messages across
- During Covid: Zoom-based all-staff meetings and core briefings
- An opt-in staff SMS service for urgent communications
- A staff “closed” Facebook group



Through all the channels listed above, we will support our consultation teams in their work to help the district council understand what the public truly want, to deliver on our values and priorities and to provide the best possible value for money.

## Looking ahead



Photo: Simon Beynon

A Corporate Peer Review carried out in 2019 helped the district council confirm its vision, which is to continue to use the reduced resources available to us efficiently to maintain and - where possible - improve the quality of life for Derbyshire Dales people. A key aim of our communications is to help local people understand the financial challenges faced by the district council and the hard choices it is having to make in terms of service delivery.

The Review executive summary added that in taking forward its ambitions for the future the council needs to fully embrace the modernisation agenda, for example through systematic approach to digital technology. Our plans continue to be built on clear values that will help to steer us through the years ahead.

Applying these values will mean that the district council is not only smaller, but also more flexible and more responsive to local people's needs and expectations.

### We value:

- the uniqueness of our communities, businesses and residents
- working in partnership to deliver affordable, quality services
- our employees
- teamwork, working together across the organisation
- creative thinking and ambition



**Supporting our values:**

- the Council will be open and transparent when making decisions and will use public resources ethically and responsibly.
- we will behave with integrity, courtesy and respect, listening and responding to the very best of our abilities and treating everybody fairly, and by encouraging Members and staff to deliver improvements through their own personal development.

**Providing the basics**

In the coming years, we will have less money and will have to make sure we spend it where the need is greatest. Our role is to make sure local people get good outcomes from their services and we understand that it is the quality of the service that matters to local people, not who provides it.

*Our focus should be on:*

Promoting and regularly reinforcing the distinctive qualities both of the Derbyshire Dales and the district council. It is appropriate therefore to build communications skills across the organisation, supported by an in-house communications resource that is empowered to identify and solve communications problems, and resourced to implement solutions.

**Helping communities help themselves**

The district council is at its most effective when it is helping people to live successful lives as independently as possible and helping communities to help themselves. We believe that if power is in the hands of local people, you get better results and achieve better value.

*Our approach will be to:*

- Give individuals more say about the services they receive and the support they receive
- Empower communities to do more themselves and give them the tools they need for community action
- Recognise that some areas need more help than others and that, with a little support, they can get their ideas off the ground
- Support the transfer of buildings and other assets to community ownership so that they can become a hub for local activity – flexible and responsive to local needs.



## Evidence and analysis



### What do our customers and stakeholders say?

We continue to invite customers and stakeholders to help us set some key priorities that support our values. 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.

### Priorities

There are 3 broad priority areas:

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

*These were agreed at the Council meeting on 5 March 2020.*

## Action Plan 2022

The Governance & Resources Committee is to be asked at a meeting on 18 November 2021 to agree that in the 2022 year the communications and marketing strategy needed to focus on the following:

- Complete new signage project in our three larger parks in Ashbourne, Bakewell and Matlock to create awareness of the Council's responsibility for those facilities, make the public aware of and abide by Public Space Protection Orders and replace the proliferation of smaller "official" signs. Ward members will be consulted on final designs when these are available.
- Work with our in-house IT team to improve and revamp at low cost but with high spec the official [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk) website, reducing the number of pages and making it more engaging, even easier to navigate and to get information about and transact business with the District Council. There will be a big focus on accessibility, aiming towards meeting the WCAG 2.1 AA standard. To note: in the past year the site has recorded 1.54-million visits (Google Analytics), a 46% increase on the previous year (so although a fix is sensible, it isn't broken!).
- Improve the sound system in the Council Chamber.
- Ensure all leases and licences include District Council branding requirements by condition to enhance the authority's reputation, linking to the Events Strategy.
- Continue to utilise our online panel to gauge the overall level of satisfaction in the District Council.
- Continue to generate sponsorship to support the Action Plan, focusing on welcome signs, parks signs and Big Belly Bins, introducing poster frames to the Big Belly Bins and additional commercial income from advertising in our paid-for public toilets and the Dales Matters publication.
- Continue to measure the success of large event promotions and marketing (eg Matlock Bath Illuminations and the Garden Waste Scheme) via social media engagement tools, webform analytics, post-event surveys and takings/visitor numbers.
- The Hub will take the lead on important corporate communications issues, including crisis communications.