



# Doncaster Council

Would you please note that a Group Meeting will be held at 1.00 p.m. in the Civic Office.

## Agenda

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To all Members of the

## COUNCIL

Notice is given that a Meeting of the Council is to be held as follows:

**Venue:** Council Chamber, Civic Office, Floor 2, Waterdale, Doncaster

**Date:** Monday, 4th March, 2019

**Time:** 2.00 pm

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**Jo Miller**  
Chief Executive

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Issued on: Friday, 22 February 2019

**Governance Officer for this meeting**

David Taylor  
01302 736712

**Doncaster Metropolitan Borough Council**  
[www.doncaster.gov.uk](http://www.doncaster.gov.uk)

## ITEMS

1. Apologies for Absence.
2. To consider the extent, if any, to which the public and press are to be excluded from the meeting.
3. Declarations of Interest, if any.
4. Minutes of the Council Meeting held on 24th January, 2019. 1 - 12
5. To receive any announcements from the Chair of Council, the Mayor, Members of the Cabinet or the Head of Paid Service.
6. Questions from the public in accordance with Council Procedure Rule 13:-  
None received for this meeting.

### **A. Items where the Public and Press may not be excluded.**

#### **For Decision**

7. Revenue Budget 2019/20 to 2020/21. 13 - 82
8. Capital Strategy and Capital Budget 2019/20 to 2022/23. 83 - 124
9. Housing Revenue Account Budget 2019/20. 125 - 144
10. Treasury Management Strategy Statement 2019/20 to 2022/23. 145 - 176
11. Council Tax Setting and Statutory Resolutions 2019/20. 177 - 194
12. Corporate Plan 2019/20. 195 - 216
13. Questions by Elected Members in accordance with Council Procedure Rules 15.2 and 15.3:-
  - (i) Questions on Notice to the Executive:-  
None received for this meeting.
  - (ii) Questions without Notice to the Executive and the Chairs of the Audit Committee, Elections and Democratic Structures Committee, Health and Wellbeing Board and Overview and Scrutiny Management Committee.

#### **For Information**

14. Annual Report on Executive Decisions taken under Special Urgency Provisions. 217 - 220

15. To receive the minutes of the following Joint Authorities.

221 - 266

- A. Sheffield City Region Combined Authority held on 28th January, 2019.
- B. Sheffield City Region Local Enterprise Partnership Board held on 14th January, 2019.
- C. South Yorkshire Fire and Rescue Authority held on 14th January, 2019.
- D. South Yorkshire Pensions Authority Local Pension Board held on 17th January, 2019.
- E. South Yorkshire Pensions Authority held on 17th January, 2019.
- F. South Yorkshire Police and Crime Panel held on 3rd December, 2018.
- G. Team Doncaster Strategic Partnership held on 27th November, 2018.

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# Agenda Item 4

## DONCASTER METROPOLITAN BOROUGH COUNCIL

### COUNCIL

THURSDAY, 24TH JANUARY, 2019

A MEETING of the COUNCIL was held in the COUNCIL CHAMBER, CIVIC OFFICE on THURSDAY, 24TH JANUARY, 2019, at 2.00 pm.

#### PRESENT:

Chair - Councillor Majid Khan  
Vice-Chair - Councillor Linda Curran  
Mayor - Ros Jones  
Deputy Mayor - Councillor Glyn Jones

Councillors Nick Allen, Duncan Anderson, Lani-Mae Ball, Nigel Ball, Iris Beech, Joe Blackham, Rachael Blake, Nigel Cannings, Bev Chapman, Phil Cole, Mick Cooper, Steve Cox, George Derx, Susan Durant, Nuala Fennelly, Neil Gethin, Sean Gibbons, Martin Greenhalgh, Pat Haith, John Healy, Rachel Hodson, Mark Houlbrook, David Hughes, Richard A Jones, Kenneth Keegan, Jane Kidd, Nikki McDonald, Tosh McDonald, Chris McGuinness, Sue McGuinness, Bill Mordue, John Mounsey, David Nevett, Jane Nightingale, Ian Pearson, Andy Pickering, Tina Reid, Andrea Robinson, Kevin Rodgers, Dave Shaw, Derek Smith, Frank Tyas, Sue Wilkinson, Jonathan Wood and Paul Wray.

#### APOLOGIES:

Apologies for absence were received from Councillors John Cooke, Jane Cox, John Gilliver, Charlie Hogarth, Cynthia Ransome and Austen White.

#### 54 Declarations of Interest, if any

Councillor Kevin Rodgers declared a non-disclosable pecuniary interest in Agenda item 8, 'Director of Public Health Annual Report 2018', by virtue of his involvement with Bentley Urban Farm and Good Food Doncaster, as referred to in the report.

#### 55 Minutes of the Council Meeting held on 22nd November, 2018

RESOLVED that the minutes of the Council Meeting held on Thursday, 22nd November, 2018, a copy of which had been circulated to each Member, be approved as a correct record and signed by the Chair.

#### 56 To receive any announcements from the Chair of Council, the Mayor, Members of the Cabinet or the Head of Paid Service

The Mayor of Doncaster, Ros Jones, made the following announcement:-

"Colleagues,

Today I launch my draft revenue budget proposals to Council and commence the consultation process.

It is another prudent financial plan, aligned to the Doncaster Growing Together strategy approved by Council, which focuses on protecting the vulnerable in our communities within the reducing resources we have available as well as investing in Doncaster's future.

In the current climate, that is no easy task. As everyone in this Chamber knows, we continue to face difficult financial challenges.

I have to inform colleagues that there has been no let-up by the Conservative Government. Their continuing cuts to Council budgets have left us with another significant budget gap. So much for Theresa May saying that Austerity is over, I can guarantee that Austerity is certainly not over where Local Government is concerned!

Government grant cuts, rising demand for services and an increase in costs, will see us face an estimated £21 million budget gap in 2019/20, and a further £13 million in 2020/21 taking into account the impact of using one-off funding in 2019/20. By 2021, this will take the total budget gap the Council has had to bridge to a staggering £272 million, since Government austerity measures started in 2010/11.

A paper to be published shortly states Northern Cities budgets have faced the biggest cuts. Doncaster is ranked the third hardest hit by Austerity in percentage terms.

Through hard work, expertise and the use of one off funding, the proposals set out the plan to balance the books for 2019/20, but within this it is clear that the focus on finance is never ending.

In light of the economic challenges we continue to face, it doesn't get any easier to prepare a budget which invests in our future, protects the most vulnerable and maintains the services that matter most to our residents.

This draft budget also includes a Council Tax increase of 2.99% and a further 2% increase through the government's social care 'precept' which contributes towards the pressures for adults social care. Together these will generate £5.3 million. The overall increase equates to an additional 82p per week for Band A and £1.23 per week for Band D.

These budget proposals continue to deliver the Council's priorities and the priorities of this Labour Administration to:-

- Increase jobs, apprenticeships, inward investment and grow our economy, including more well paid, high skilled jobs that local people can access;
- Deliver more new homes that meet the needs of everyone;
- Developing our Town Centres and the arts, culture and leisure offer;
- Increase physical activity, including through cycling, to improve population health and well-being;
- Raise education standards, and bring our education system and business community together, to give our young people more opportunities to flourish;

- Deliver vital services for children and vulnerable residents, joining up health and social care, focusing on prevention and support, and transforming our adult services; and
- Supporting and working with our communities, to help keep them clean, green and safe.

Doncaster has made great progress in recent years, but we can and will do more.

However, we must of course look to the future and there is plenty to look forward to in 2019, including:-

- The return of the Tour De Yorkshire;
- Welcoming the UCI World Championships to Doncaster in September;
- Work continuing on our new library and museum;
- More new house building across the Borough, including new Council housing;
- The progression of our railway station 'City Gateway', markets regeneration and quality streets schemes; and
- Work commencing on the new University Technical College, Cinema & Restaurants in the Civic and Cultural Quarter.

Residents across Doncaster will benefit from capital investment from the Council of £330 million by 2021 in projects to further improve education, housing, infrastructure, retail, leisure and culture, as well as attracting investors and visitors to the Borough. All of these will contribute to growing Doncaster's economy and improving people's ability to access opportunities.

However, I am extremely disappointed at the Government's complete failure to deal with the national funding problems facing local authorities, particularly with regard to adult and children's social care.

Their answer, which is to underfund vital services and yet increase the financial burden on local taxpayers, is wrong. It places strain on to those who can least afford it, through a regressive tax system that benefits wealthy areas over places like Doncaster and South Yorkshire.

Unfortunately, Government policy on Local Authority funding means that Council Tax rises are assumed in order to sustain vital services.

But Council Tax increases do not bridge the funding gap; far from it. So in Doncaster, like elsewhere, people will see their Council Tax rise as the Government squeeze on hard working families continues.

Doncaster will still have one of the lowest Council Taxes in Councils of our size in the country. We were the seventh lowest in 2018/19 and the lowest in South Yorkshire.

Our only course of action is to grow our way out of the situation.

The good news is that in Doncaster, we are continuing to grow.

I want to thank all of the staff, partners and colleagues in this Chamber who have helped us to deliver our successes, in often difficult circumstances.

These budget proposals continue our prudent and effective, but ambitious, approach to delivering services and supporting our Borough.

I will of course also listen to any budget proposals brought forward by Councillors.

If colleagues do wish to bring forward any alternative proposals, I would encourage them to do so at an early stage, so that they can be discussed in detail in advance of the budget meeting in March.

Thank you.”

57 Questions from the public in accordance with Council Procedure Rule 13

There were no questions from the public received for this meeting.

58 Proposals for Localised Council Tax Support from 1st April, 2019 (the Local Council Tax Reduction Scheme)

The Council considered a report, presented by the Mayor of Doncaster, Ros Jones, which sought approval of the proposals for the Localised Council Tax Support for 2019/20.

It was reported that from 1st April, 2013 Council Tax Benefit was replaced by Local Council Tax Support (LCTS). Under LCTS, billing authorities had to decide for working age claims, who was eligible for a reduction in their Council Tax and what level of support they should receive. Support for people of pensionable age and other aspects of the scheme were prescribed by regulations and the Council had no discretion in relation to these matters.

Members were informed that approximately 24,200 households currently received a reduction in their Council Tax from Doncaster Council's Local Support Scheme; of these 10,760 were of pension age and 13,440 were of working age on a low income.

It was noted that the Authority was required to consider whether to revise or replace its scheme on an annual basis. Local changes to the scheme were proposed from 1st April, 2019 to make it easier for people on Universal Credit to claim support and to disregard some additional income and earnings when working out support in a small number of cases.

Further changes to the scheme had been applied based on matters arising from The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018 which were laid before Parliament on 14th December, 2018 and came into force on the 14th January, 2019. Some of the rates and allowances used to work out support for claims from those of working age, had also been uprated in line with the Government rates that applied to Housing Benefit. The Council's LCTS scheme had stipulated that the Authority would apply this uprating on an annual basis since it was introduced in 2013.



In conclusion, the proposed LCTS scheme from 1st April, 2019, continued to provide 100% support to the poorest households in receipt of 'passported' benefits such as Income Support and most unemployed people on Universal Credit which remained a priority for Doncaster Council. It was noted that this Authority was one of only a 'handful' of Councils in the country that continued to provide maximum support to those on the lowest income levels.

RESOLVED that

- (1) that the requirement for people claiming Universal Credit to make a separate Local Council Tax Reduction Scheme (LCTS) claim to the Council where they have indicated on their Universal Credit claim, that they also want to claim LCTS and this information has been passed to the Council by the Department for Work and Pensions, be removed;
- (2) the information provided by the Department for Work and Pensions for someone claiming Universal Credit about their income and personal circumstances, be used to work out the person's LCTS rather than the claimant having to provide separate information to the Council;
- (3) the LCTS claim period be extended to six months so that claimants do not have to reapply for support following a short period of non-entitlement, for example, following a one-off or short-term wage increase which can occur frequently where the claimant receives Universal Credit;
- (4) the Bereavement Support Payment be disregarded when working out how much support someone is entitled to which would align the treatment of this income with the Housing Benefit scheme; (This proposal would only affect a very small number of claimants (3 currently) at minimal cost);
- (5) an additional prescribed amount (currently £17.10 per week) from the earnings of a couple where one of the partners is disabled, regardless of which partner is working to align the treatment of earnings in these circumstances with the Housing Benefit scheme, be disregarded; (This proposal would only affect a very small number of claimants (around 200 nationally) at minimal cost);
- (6) it be noted that any increase in Council Tax liability for the Council, its major preceptors and local parish preceptors, will increase the cost of LCTS; the assumptions used in the cost of the scheme for 2019/20 are an overall increase of 4.99% for Doncaster's Council Tax;
- (7) the public consultation outcome summarised at Appendix 1 of the report, as part of the decision making, be noted;
- (8) the Equality Analysis and Due Regard Statement attached at Appendix 2 of the report, as part of the decision making, be noted; and
- (9) the revised scheme linked at Appendix 3 of the report, which incorporates the proposed changes at (1) to (5) above, and which has also been amended to take into account The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018, be

approved; these amendments in the main are to increase certain figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. These increases relate to pensioner claims and most of the rates used in the calculation of working age claims have been frozen in line with the rates for Housing Benefit. The Regulations were laid before Parliament on 14th December, 2018 and come into force on the 14th January, 2019 for application in the Council's revised local scheme from the 1st April, 2019.

59 Director of Public Health Annual Report 2018

Dr Rupert Suckling introduced to Council, the Director of Public Health Annual Report for 2018, which was delivered as a short video which would be made available online, and was supported by 2 standalone documents. The document entitled 'No health without mental health' supported the video and the second document entitled 'Public Health Annual Report 2018', provided an update against the recommendations from 2017.

It was reported that this is the fourth annual report authored by Dr Suckling, but this year's report was different as it focused on a particular topic. Dr Suckling explained that he had been able to do this as the Council now had the State of the Borough report, describing the overall picture of the Borough, and the Public Health function which was well embedded in Council finance and performance management processes.

Members were informed that the focus for this year's report was 'No health without mental health'; this was the combination of feeling good and functioning effectively, and was different from mental disorder that included mental illness, learning disability or personality disorder. Mental disorders and mental illness in particular, had been reviewed this year by both the Overview and Scrutiny Committees and the Doncaster Health and Wellbeing Board.

Members noted that even if people had a mental disorder, mental health could be improved and that the three key factors which improve or create mental health were 'our circumstances, our resources and the activities we focus our time on'. The report concentrated on 'the activities we focus our time on' and the 5 ways to wellbeing which were:-

- Learning;
- Connecting;
- Being active;
- Giving; and
- Taking notice

Dr Suckling hoped that Members in the Chamber obtained an indication of the 5 ways to wellbeing in action and the way the Council was changing to support these approaches.

In conclusion, Dr Suckling outlined the following 4 new recommendations which were detailed within the report:-

- Create, improve and protect mental wellbeing using the five ways to wellbeing to harness the role of arts, culture and physical activity, promote social connections and contribute to inclusive economic growth and the reduction of health inequalities.
  - DGT and the focus on inclusive growth; Get Doncaster moving and culture, were all in the right direction.
- Doncaster Council and partners should sign the Prevention Concordat for Better Mental Health as an indication of support for the mental wellbeing of both Doncaster people and Doncaster employees.
  - Doncaster Health and Wellbeing Board signed this last week
- Suicide was the biggest killer of men under 45 in the UK and today, 16 people would take their own lives which was why Dr Suckling was keen that in Doncaster, the Council pledge to become a zero suicide Borough and that the Council always asked twice when it was talking to people and asking about their mental health. This should be backed by rolling out Mental Health First Aid training across the Borough.
  - Suicide prevention strategy
- Continue to deliver mental health service improvements across the life course with service users as identified by Overview and Scrutiny reviews including:-
  - improving the mental health of parents at the time of the birth of a new child;
  - improving children and young people's mental health by responding quicker to all requests for support;
  - improving responses to crisis including better use of peer support;
  - reducing the need for and use of Out of Area placements;
  - Improve employment support for those with mental health issues to help them stay in work or return to work.

RESOLVED that Council note and publish the Director of Public Health's Annual Report for 2018.

## 60 Annual Pay Policy Statement 2019/20

The Council considered the Pay Policy Statement for 2019/20, which was presented by Councillor Jane Nightingale, Cabinet Member for Customer and Corporate Services, which set out the Council's policy for paying staff, in particular its senior staff, namely Chief Officers, and detailed the relationship between the highest, lowest and average paid employees in the organisation.

It was reported that the policy statement was a public document and was published on the Council's website each year, and clearly demonstrated a willingness to increase accountability, transparency and fairness in setting pay. It also included information about where more detailed salary information was published as part of the Council's Annual Statement of Accounts.

It was proposed that the same format be used this year as in previous years, with the following observations:-

- There had once again been a positive reduction in the ratios this year (the ratio being how many times greater a salary was compared to the lowest salary) between the highest and lowest paid staff;
- The current ratio between the highest paid salary and lowest employee salary had reduced again from 9.54 to 1 last year to 9.46 to 1 this year;
- The ratio between the highest employee salary and average employee salary had also reduced from 6.35:1 to 6.30:1; and
- These changes continued to reflect a positive reducing trend in the difference between the highest and lowest paid in line with the Council's commitment to reduce the pay difference and increase low pay.

It was anticipated that this policy would not need to be amended during the period it covered from April, 2019 to March, 2020. However, if circumstances dictated that a change of policy was considered to be appropriate during the year, then any amendments would be included in the following year's statement presented to Full Council.

RESOLVED that the Pay Policy Statement for 2019/20 be approved.

#### 61 Overview and Scrutiny Update - May to December, 2018

The Chair of the Overview and Scrutiny Management Committee (OSMC), Councillor Kevin Rodgers, presented a report which provided a summary of the key work undertaken by the OSMC and its four Standing Panels in the period of May to December 2018, and also any future issues to be considered.

The Chair conveyed his thanks to all Members, the Executive, Officers, partners, stakeholders and the public, who had taken the time to attend meetings and engage in the Overview and Scrutiny process.

Councillor Rodgers reported that there continued to be a real effort to focus on performance monitoring and review work through OSMC and Panels to ensure the Council had a greater impact on future policy development and improvement of services. Through work undertaken, Members had met with care leavers, Youth Parliament, Yorkshire Water, Environment Agency, Coal Authority, Drainage Board and partners including CCG, NHS, Children's Trust, St Leger Homes and South Yorkshire Police.

Members noted that outside of the formal meetings, the Overview and Scrutiny Chairs and Vice-Chairs continued to meet regularly with the Mayor and respective Cabinet Members, to ensure they were kept up to date with developments in portfolio areas to effectively plan and manage Scrutiny work plan issues.

Councillor Rodgers commented that looking forward to 2019, the major issues Overview and Scrutiny needed to focus on were:-

- The function would be supporting a regional Health Scrutiny meeting addressing hospital services review;
- Continuing with mental health as a theme;
- Housing Investment;
- Behaviour Transformation in Education; and
- Crime and Disorder - undertaken by the Communities and Environment Panel looking at their performance and priorities.

Councillor Rodgers concluded by thanking all Overview and Scrutiny Members, Executive Members, Partners, Stakeholders, Officers and members of the public, who continued to contribute to the Overview and Scrutiny process.

RESOLVED that the work of Overview and Scrutiny Management Committee and its four Standing Panels for the period May to December, 2018, be noted.

## 62 Proposed Diary of Meetings - 2019/21

The Council considered a report which outlined the draft diary of meetings for the 2019/20 and 2020/21 Municipal Years

It was noted that the move to the four year term of office for Councillors had provided an opportunity to forward plan the Council's Diary of Meetings for a longer period of time, allowing for the better scheduling of decisions, meetings and events throughout the Council. Additionally, it was anticipated that it would prove helpful to Members in organising their schedules over a longer period when balancing their Council commitments with other working or caring responsibilities.

Members noted that the final version of the diary would be agreed at the Annual Meeting of Council in May, 2019 and any amendments between consideration of the draft diary and this meeting would be incorporated.

RESOLVED that

- (1) the proposed Diary of Meetings for the 2019/20 and 2020/21 Municipal Years, as attached at Appendix A to the report, be noted; and
- (2) the final version of the Diary of Meetings be presented to the Annual Meeting of Council in May, 2019, for final approval.

Questions by Elected Members in accordance with Council Procedure Rules 15.2 and 15.3

A. Questions on Notice

No questions on Notice from Elected Members had been received for this meeting.

B. Questions Without Notice

In accordance with Council Procedure Rule 15.2, the Chair of Council sought questions from Elected Members during question time.

A. Questions to the Mayor of Doncaster, Ros Jones

Q. Councillor Richard Allan Jones asked the following question:-

“Mayor, last week I attended the Scrutiny meeting for Sheffield City Region and we have still not got the agreement between all of the four Councils about how the Mayor of the Sheffield City Region can actually operate. I wonder whether you can explain to me the reasons why we have not signed this agreement? Because you have talked about, in your budget proposals, the lack of investment. Lack of not signing this document seems to suggest that somewhere in the region of £20m plus is being lost by not actually agreeing to this. And, the Mayor actually said, ‘well I’m talking to these people in the four Boroughs to come to some agreement’. He has been saying that since he was put in place last year. I do not think that we are getting the correct answers to the issue. I certainly do not know, because I asked him that particular point. And from that point, we will be aware that we have asked for those Leaders to be brought before Scrutiny in Sheffield City Region?”

A. The Mayor of Doncaster, Ros Jones, gave the following response:-

“Thank you for your question. Discussions were supposed to take place on Tuesday of this week, but one of the other Leaders was unable to take part in that conversation. I have always made myself available when meetings are due to be called. I will continue to push for this Borough and for a One Yorkshire Devolution deal. But, we have always said that Government can actually do it in tandem to get us there because the people of Doncaster have spoken when we got the highest percentage wanting to see us part of a wider region so that we can punch above our weight. But, we are not actually One Yorkshire as far as I’m concerned. We have never said that it could not work going forward. They have just not got everyone together at the same time. I am not aware that you have asked for them all to come to Overview and Scrutiny. I wait for the request to come through. Thank you.”

B. Questions to the Deputy Mayor, Councillor Glyn Jones, Cabinet Member for Housing and Equalities

There were no questions put to the Deputy Mayor, Councillor Glyn Jones, Cabinet Member for Housing and Equalities.

C. Questions to Councillor Nigel Ball, Cabinet Member for Public Health, Leisure and Culture

There were no questions put to Councillor Nigel Ball, Cabinet Member for Public Health, Leisure and Culture.

D. Questions to Councillor Joe Blackham, Cabinet Member for Highways, Street Scene and Trading Services

There were no questions put to Councillor Joe Blackham, Cabinet Member for Highways, Street Scene and Trading Services.

E. Questions to Councillor Rachael Blake, Cabinet Member for Adult Social Care

There were no questions put to Councillor Rachael Blake, Cabinet Member for Adult Social Care.

F. Questions to Councillor Nuala Fennelly, Cabinet Member for Children, Young People and Schools

There were no questions put to Councillor Nuala Fennelly, Cabinet Member for Children, Young People and Schools.

G. Questions to Councillor Chris McGuinness, Cabinet Member for Communities, Voluntary Sector and the Environment

There were no questions put to Councillor Chris McGuinness, Cabinet Member for Communities, Voluntary Sector and the Environment.

H. Questions to Councillor Bill Mordue, Cabinet Member for Business, Skills and Economic Development

There were no questions put to Councillor Bill Mordue, Cabinet Member for Business, Skills and Economic Development.

I. Questions to Councillor Jane Nightingale, Cabinet Member for Customer and Corporate Services

There were no questions put to Councillor Jane Nightingale, Cabinet Member for Customer and Corporate Services.

J. Questions to Councillor Austen White, Chair of the Audit Committee

There were no questions put to Councillor Austen White, Chair of the Audit Committee.

K. Questions to Councillor Phil Cole, Chair of the Elections and Democratic Structures Committee

There were no questions put to Councillor Phil Cole, Chair of the Elections and Democratic Structures Committee.

L. Questions to Councillor Rachael Blake, Chair of the Health and Wellbeing Board

There were no questions put to Councillor Rachael Blake, Chair of the Health and Wellbeing Board.

M. Questions to Councillor Kevin Rodgers, Chair of the Overview and Scrutiny Management Committee

There were no questions put to Councillor Kevin Rodgers, Chair of the Overview and Scrutiny Management Committee.

64 To receive the minutes of the following Joint Authorities

RESOLVED that the minutes of the following Joint Authorities be noted:-

- A. Sheffield City Region Combined Authority held on 29th October and 17th December, 2018.
- B. Sheffield City Region Local Enterprise Partnership Board held on 5th November, 2018.
- C. South Yorkshire Fire and Rescue Authority held on 15th October and 26th November, 2018.
- D. South Yorkshire Pensions Authority held on 22nd November, 2018.
- E. Team Doncaster Strategic Partnership held on 16th October, 2018.

CHAIR: \_\_\_\_\_

DATE: \_\_\_\_\_





## Doncaster Council

Date: 4<sup>th</sup> March, 2019

To the Chair and Members of  
COUNCIL

### REVENUE BUDGET 2019/20 – 2020/21

#### EXECUTIVE SUMMARY

1. This report details the Mayor's revenue budget proposals for 2019/20 to 2020/21. Our budget plan is driven by our Corporate Plan. The Corporate Plan details the Council's contribution over the next year to the Doncaster Growing Together (DGT) partnership plan (Borough Strategy) and how the Council will ensure it has the capacity to deliver DGT transformational priorities and quality services day in, day out.
2. The Council continues to face the significant challenge of setting a balanced budget with reducing funding and increasing costs, whilst continuing to invest in the borough and protecting the most vulnerable in our communities. The overall funding gap is £21m for 2019/20 and following the use of £3m one-off reserves, the gap for 2020/21 is £13m; a summary is provided below with full details in Appendices A and B.

#### EXPLANATION OF THE BUDGET GAP

	2018/19 £m	2019/20 £m	2020/21 £m	Total 2019/20 – 2020/21 £m	Total Incl. 2018/19 £m
Baseline Income & Government Grants	-9.9	6.9	15.4	22.3	12.4
Council Tax Income	-6.3	-8.0	-5.9	-13.9	-20.2
Grant Exit Strategies	0.0	-8.0	-6.2	-14.2	-14.2
Pay & Price Inflation	9.0	9.7	3.5	13.2	22.2
Levying Bodies & Other	11.0	-0.8	-0.4	-1.2	9.8
Service Pressures	5.6	21.6	3.5	25.1	30.7
<b>Funding Gap</b>	<b>9.4</b>	<b>21.4</b>	<b>9.9</b>	<b>31.3</b>	<b>40.7</b>
Use of One-off Reserves	2.0	-3.2	3.2	0.0	2.0
<b>Funding Gap (adjusted for One-off Reserves)</b>	<b>11.4</b>	<b>18.2</b>	<b>13.1</b>	<b>31.3</b>	<b>42.7</b>

3. Government funding will have more than halved since 2010/11, this continues with £6.9m funding reduction in 2019/20 and a further estimated £15.4m in 2020/21. Inflationary cost increases are forecast to rise by £9.7m in 2019/20; this includes £3m additional funding for Adult Social Care contracts including the impact of the government national minimum wage. The service specific budget pressures of £21.6m in 2019/20 are detailed in Appendix B; this includes providing £12.8m for Adults, Health & Wellbeing pressures and £6.7m for children's services delivered by the Doncaster Children's Services Trust (DCST) in 2019/20.
4. The budget includes an increase in Council Tax of £8.0m in 2019/20 which is required in order to meet the budget gap and deliver a budget in line with the financial strategy. This includes £2.7m additional income through an increase in the Council Tax base due to more properties, reduced cost of operating the Local Council Tax Support (LCTS) scheme and assuming a higher collection rate and £5.3m from a 4.99% increase (2.99% Council Tax increase and a further 2% increase through the Government's Social Care "precept"). This will increase the council tax to £1,351.43 per annum Band D (£900.95 Band A) which means an additional £64.23 for Band D council tax per annum or £1.23 per week (£42.81 for Band A per annum or 82p per week). The council tax rate will continue to be one of the lowest in comparison to other Metropolitan Districts and Unitary Authorities (the 7th lowest in 2018/19) as shown in Appendix E. The 2% Social care "precept" will contribute towards the pressures for Adults, Health & Wellbeing including inflationary cost increases, investment in the care ladder and growth in the number of clients from projected changes in the population.
5. Whilst the financial circumstances that we face are not of our making, it is our responsibility to ensure we propose a robust, clear and balanced budget and that we face up to and deliver changes to our services to the best of our abilities in these very challenging circumstances. The report details the draft saving proposals of £18.2m for 2019/20 to contribute towards the funding gap; further details are provided from paragraph 21 and Appendix C.
6. Difficult decisions are required to deliver the reductions to service budgets to contribute towards the overall funding gap in 2019/20, with a clear focus on early intervention and prevention, together with service demand management and targeting our resources to tackle inequalities. This includes the core areas of focus for transformational change within the 'all-age' Your Life Doncaster Programme, which are: early intervention and prevention / integrated area based working, front door, practice development and joint commissioning.
7. In 2019/20 the remainder of the savings will be met from the budget released through re-profiling the borrowing payments (Minimum Revenue Provision (MRP) budget), and other one-off funding identified. Therefore we have a clear plan to manage our resources in 2019/20, however 2020/21 is not balanced due to government funding uncertainties. Balancing 2020/21 will require delivering on-going savings to bridge the gap between funding available and rising costs; use of one-off reserves is not a sustainable solution. Further work will commence early in 2019/20 to identify additional savings and understand the impact of the local government funding settlement for 2020/21; including the Spending Review (SR) and Fair Funding Review (FFR). The aim is to have in place a clear sustainable balanced budget plan ready to begin 2020/21.

8. A summary of the savings along with the pressures by Directorate is provided below: -

	2019/20			2020/21		
	Pressures £m	Savings £m	Net £m	Pressures £m	Savings £m	Net £m
Adults, Health & Wellbeing	12.8	-7.0	5.8	3.4	-5.2	-1.8
LOCYP	0.2	-0.6	-0.4	-0.1	-0.1	-0.2
Children's Trust	6.7	0.0	6.7	0.0	0.0	0.0
Corporate Resources	0.3	-1.0	-0.7	0.0	-0.2	-0.2
Council-Wide	0.1	-7.1	-7.0	0.3	5.3	5.6
Regeneration & Environment	1.5	-2.5	-1.0	-0.1	-1.0	-1.1
<b>Total</b>	<b>21.6</b>	<b>-18.2</b>	<b>3.4</b>	<b>3.5</b>	<b>-1.2</b>	<b>2.3</b>

9. The analysis, at Appendix H, shows the current position regarding earmarked reserves. The balance on the uncommitted General Fund reserve for 2019/20 is estimated at £11.5m; and is expected to remain at this level in 2020/21.

## EXEMPT REPORT

10. Not applicable.

## RECOMMENDATIONS

11. Council to approve the 2019/20 to 2020/21 Revenue Budget as set out in this report. This includes: -
- a. the revenue budget proposals for 2019/20 detailed at Appendix B (pressures £21.6m) and Appendix C (savings £18.2m);
  - b. Council Tax increasing by 4.99% to £1,351.43 for a Band D property (£900.95 for a Band A) for 2019/20. This includes: -
    - i. 2.99% Council tax increase equates to an increase of £38.49 for Band D per annum, 74p per week (£25.66 for Band A per annum, 49p per week);
    - ii. 2.00% Government's Social Care "precept" equates to an increase of £25.74 for Band D per annum, 49p per week (£17.16 for Band A per annum, 33p per week).
  - c. the 2019/20 Grants to 3rd Sector Organisations outlined in paragraph 26 and Appendix F;
  - d. the fees and charges proposed for 2019/20 at Appendix G;
  - e. the Medium Term Financial Forecast including all proposals in this report as set out in Appendix D;
  - f. a gross revenue expenditure budget of £495.2m and a net revenue expenditure budget of £213.6m, as detailed in Appendix D; and
  - g. note the Council's statutory Section 151 officer's positive assurance statements (detailed in paragraphs 34 and 40).

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

12. The Council will continue to care for and protect the most vulnerable in society but it is inevitable that as the Council becomes a leaner organisation that citizens will see services delivered in new and different ways.

## BACKGROUND

### Financial Strategy

13. The financial strategy and 2019/20 budget is informed by the Corporate Plan, which focuses on: -
  - a. **Doncaster Learning** – Learning that prepares all young people and adults for a life that is fulfilling. The key budget proposals in relation to this area are LO-CYP functional review and utilising one-off funding in 2019/20 to continue to deliver the priorities.
  - b. **Doncaster Working** – More people are able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future. A key budget proposal in relation to this area is the additional income from business rate growth; this is based on more developments in the borough and increased inward investment.
  - c. **Doncaster Living** – Doncaster’s people live in a borough that is vibrant and full of opportunity, where people enjoy spending time. A key budget proposal for this area is the Highways and Streetscene proposal for 2019/20.
  - d. **Doncaster Caring** – A borough that cares together for its most vulnerable residents. The key budget proposals in relation to this area are the Adults Transformation programme budget proposals.
  - e. **Connected Council** – Ready for the future, areas for action include our workforce, delivering value for money, use of technology, building community resilience, working with our partners etc. These are reflected in the budget proposals, e.g. Corporate Resources saving, Adults transformation programme.
  - f. The Corporate Plan includes five imperatives that must now guide our transformation work and our medium-term financial plan: -
    - i. Harnessing community strengths, collaboration and assets, particularly to enable more improvements in well-being to be delivered by communities.
    - ii. A stronger focus on early intervention and prevention.
    - iii. Demand management, including ensuring we deliver services right first time for the citizen.
    - iv. Ensuring services are targeted and make a difference to those people who need them most.
    - v. Growing our economy and improving people’s ability to access opportunities.
14. The financial strategy should also be read in conjunction with other Council strategy documents including Capital Programme, HRA budget, Treasury Management Strategy, Capital Strategy and ICT Strategy.

## Medium-term Financial Forecast (MTFF)

15. The first step in the business planning process for 2019/20 is to estimate the gap between the Council's resources and expenditure, this is forecast at £21.4m and following the use of £3m one-off reserves, the gap for 2020/21 is £13m. This takes account of changes to the Council's main sources of income (i.e. central government grant and local taxation), corporate expenditure (e.g. capital financing costs) and pressures on services (arising from inflation, demand or legislative changes such as the increase to the government national minimum wage).
16. The pressures include rising pay costs and increasing pension contributions estimated at £4.1m in 2019/20. This is expected to reduce in 2020/21 to a saving of £2.1m due to an estimated reduction in the pension deficit budget, when the next tri-annual valuation in 2020 will take effect. Last year the Pensions Actuary reported a considerable improvement in the financial position of the pension fund deficit which changed the position from a deficit to a slight surplus. This mainly arose due to a rise in UK equities and foreign equities and a fall in the pound. This saving will be reviewed in the summer of 2019 in preparation for the 2020/21 budget. The additional costs of contract inflation are estimated at £5.6m in 2019/20 and a further £5.6m in 2020/21; this includes £3m each year for the Adult Social Care contracts including the impact of the government national minimum wage.
17. The MTFF also provides the funding necessary to meet growth in the services and other service pressures, including £12.8m in 2019/20 for Adult Social Care to meet the increasing costs of supported living placements and the impact of an ageing population across all services and providing £6.7m in 2019/20 for children's services delivered by Doncaster Children's Services Trust.
18. The Council is currently forecasting a break even position for the 2018/19 financial year; which needs to be managed and maintained to begin the 2019/20 financial year on a sustainable basis. 2020/21 pressures will be reviewed during 2019/20 as part of the detailed budget setting process. A summary of the pressures for 2019/20 to 2020/21, is provided below with further detail in Appendix B. The baseline budget will be increased for the pressures identified below on an ongoing basis. A negative figure in 2020/21 shows where the funding is being removed to account for one-off pressures in previous years: -

<b>Pressures</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total 2019/20 to 2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adults, Health &amp; Wellbeing</b>	<b>12.842</b>	<b>3.484</b>	<b>16.326</b>
Additional Costs on Contract Prices	0.615	0.000	0.615
Care Ladder 2019/20	0.902	1.283	2.185
Community Equipment	0.150	0.000	0.150
Deprivation of Liberty Service (DoLS) - new requirements	0.436	0.000	0.436
Increased Demand for Adult Social Care	5.777	0.981	6.758
Money Management	0.176	0.000	0.176
Removal or Revision of 2018/19 Undelivered Saving Proposals	2.934	0.000	2.934
Supported Living	1.587	0.955	2.542
Transitions	0.265	0.265	0.530
<b>Children's Trust</b>	<b>6.735</b>	<b>0.000</b>	<b>6.735</b>

<b>Pressures</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total 2019/20 to 2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children's Trust	6.735	0.000	6.735
<b>Corporate Resources</b>	<b>0.326</b>	0.000	<b>0.326</b>
Microsoft Agreement - DMBC	0.326	0.000	0.326
<b>Council-Wide</b>	<b>0.123</b>	<b>0.278</b>	<b>0.401</b>
Borrowing for Capital Projects	0.000	0.278	0.278
YPO Dividend	0.123	0.000	0.123
<b>Learning &amp; Opportunities: Children &amp; Young People</b>	<b>0.194</b>	<b>-0.144</b>	<b>0.050</b>
Additional Short Breaks	0.059	0.000	0.059
Children with Disability Out of Authority placements demand pressure	0.292	-0.234	0.058
Passenger Transport	-0.159	0.000	-0.159
SEN Transport demand pressure	0.002	0.090	0.092
<b>Regeneration &amp; Environment</b>	<b>1.385</b>	<b>-0.100</b>	<b>1.285</b>
Bereavement	0.245	0.000	0.245
Design	0.112	0.000	0.112
Facilities Management	0.049	0.000	0.049
Highways (general fund)	0.150	0.000	0.150
Markets	0.330	0.000	0.330
Metroclean	0.214	0.000	0.214
North Bridge depot	0.040	0.000	0.040
Planning	0.000	-0.100	-0.100
Strategic Housing	0.245	0.000	0.245
<b>Total</b>	<b>21.605</b>	<b>3.518</b>	<b>25.123</b>

19. The MTFE details the funding reductions and pressures for 2019/20; this clearly demonstrates the importance of increasing income by raising the Council Tax, Social Care “precept” and other income from fees and charges. As government grants significantly reduce and the Council becomes more reliant on the income it generates, it must take every opportunity over the next 2 years to raise its income base through the individual rates and overall volume, i.e. the number of council tax and business rates properties.
20. There are 2 major reviews upcoming during 2019 that could have a significant effect on the funding available for the council. There will be a Spending Review in 2019 which will set out the funding available for Government Departments for 2020/21 onwards. There will be a Fair Funding Review (FFR) which will set out how the funding determined by the Spending Review 2019 will be allocated for 2020/21 onwards. It is not yet possible to determine the full impact of these wide ranging reviews; the assumption included for 2020/21 is that Revenue Support Grant (RSG) reduces by £8.1m in line with the current estimated trajectory. The Government aims to publish indicative allocations through a formal consultation before the 2020/21 provisional local government finance settlement but that could be as late as October 2019.

## Savings Proposals

21. The process of identifying and delivering savings is robust but flexible so that options can be identified and plans can be amended as and when required. The following saving proposals have been discussed over several months with both members and managers, further details are provided in Appendix C. The baseline budget will be decreased for the savings identified below on an ongoing basis. A positive figure in 2020/21 shows where the budget is being increased to account for one-off savings in previous years :-

<b>Savings</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total 2019/20 to 2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adults, Health &amp; Wellbeing</b>	<b>-7.043</b>	<b>-5.198</b>	<b>-12.241</b>
Community Safety	-0.172		-0.172
Contract Review	-0.400	-0.250	-0.650
Day Opportunities	-0.266	-0.409	-0.675
Fees & Charges	-0.630		-0.630
Front Door and Community Offer	-0.262	-1.103	-1.365
Home Care & Direct Payments	-1.461	-0.936	-2.397
Housing related support services	-0.133		-0.133
Leisure Trust	-0.250		-0.250
Public Health	-0.629		-0.629
Residential Care - Working Age	-1.700	-1.160	-2.860
Staffing Restructuring & Functional Review	-0.570	-0.570	-1.140
Stronger Communities		-0.200	-0.200
Supported Living	-0.570	-0.570	-1.140
<b>Corporate Resources</b>	<b>-1.018</b>	<b>-0.200</b>	<b>-1.218</b>
Corporate Resources	-1.018	-0.200	-1.218
<b>Council-Wide</b>	<b>-7.112</b>	<b>5.315</b>	<b>-1.797</b>
Fees & Charges	-0.290	-0.290	-0.580
Metropolitan Debt Levy	0.051	0.039	0.090
Minimum Revenue Provision (MRP) – reprofiling	-4.300	4.300	0.000
Parish Councils	-0.094	-0.094	-0.188
Pension - former employees	-0.100	-0.100	-0.200
Pension - prepayment	-1.700	1.700	0.000
South Yorkshire Passenger Transport Executive (SYPTTE)	-0.279	-0.240	-0.519
Treasury Management	-0.400		-0.400
<b>Learning &amp; Opportunities: CYP</b>	<b>-0.644</b>	<b>-0.148</b>	<b>-0.792</b>
Independent Travel Training Scheme		-0.025	-0.025
LOCYP: Functional Review	-0.350	-0.267	-0.617
LOCYP: Savings one-off in-year	-0.225	0.225	0.000
LOCYP: Savings on-going	-0.069	-0.081	-0.150
<b>Regeneration &amp; Environment</b>	<b>-2.378</b>	<b>-1.000</b>	<b>-3.378</b>
Assets	-0.620	-0.200	-0.820
Facilities Management	-0.052		-0.052
Fleet	-0.640		-0.640
Highways (general fund)	-0.150	-0.500	-0.650
Highways and Streetscene	-0.639		-0.639
Metroclean	-0.107		-0.107

<b>Savings</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total 2019/20 to 2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Strategic Housing	-0.170		-0.170
Waste Contract		-0.300	-0.300
<b>Total</b>	<b>-18.195</b>	<b>-1.231</b>	<b>-19.426</b>

22. The 'all-age' Your Life Doncaster Programme, focuses on: early intervention and prevention/ integrated area based working, front door, practice development and joint commissioning. The Programme will contribute significantly to the delivery of £7.0m savings in 2019/20 and a further £5.2m by 2020/21. The Council welcomes the additional one-off Social Care Support grant and Winter Pressures grant in 2019/20 of £2.6m and £1.5m respectively, which provides essential funding towards the pressures facing the service including Residential Care and Homecare.
23. The savings required in this area are significant and as such, their delivery is key to the achievement of the Council's MTFF. There are a number of initiatives covering all areas of the care ladder; Residential Care Working Age, Home Care & Direct Payments and the impact of the Front Door and Community Offer. In addition savings are targeted for staffing restructuring & functional review to manage our workforce to deliver effective and efficient services. Full details of the savings are provided at Appendix C.
24. Fees and charges increases are expected to generate £0.29m in 2019/20 (and £0.29m in future years); this is based on the principle that charges are raised by 3% (based on the price indices). A summary of the changes to fees and charges is provided at Appendix G, along with the proposed detailed fees and charges which are above the 3% target increase.

### **Post Reductions**

25. A review of the 2019/20 to 2020/21 budget proposals has been undertaken, which has identified 76 full time equivalent (f.t.e.) potential post reductions within the council (detailed on Appendix C). This is an estimate calculated on the budget proposals and includes 53.8 f.t.e. for 2019/20 and 22.2 f.t.e. for 2020/21. To achieve the savings, the Council will initially look to delete vacant posts, then seek volunteers, then redeployment with compulsory redundancy being the last resort.

### **Grants to Third Sector Organisations**

26. The 2019/20 grants proposed to third sector organisations (£0.5m) are detailed in Appendix F. The Council's strategy is to more clearly commission and contract service activity, which provides greater certainty and continuity of provision of service for both the service provider (voluntary sector) and service users. The change in the overall value of grants provided to third sector organisations does not deliver any savings.

### **Detailed Budgets**

27. The 2019/20 detailed budgets are provided at Appendix J by Directorate, this provides the breakdown of the budget plan by Head of Service.



## **Monitoring & Challenge**

28. The Council's budget in any one financial year is allocated to budget holders and each budget holder is notified of their budget at the start of the financial year. Within the performance and development review process for people managers there is a core target to effectively manage and monitor budgets, highlighting any pressures or potential underspends in a timely way.
29. Budget holders are able to review the latest financial monitoring information, including projections, directly from the on-line financial system in an easy to use format.
30. The financial management teams are structured to support budget holders, deal with queries and proactively monitor key budget areas. The quarterly Finance & Performance report presents the Council's revenue projection, prepared by managers working in conjunction with finance teams. During 2018/19, additional monthly reporting was introduced allowing Directors to monitor the Council revenue projection at a monthly meeting, where any further actions that need to take place to ensure effective management of the budget targets are agreed.

## **Robustness of the Budget**

31. Under the Local Government Act 2003, the Chief Financial Officer is required to give assurance on the robustness of estimates in the forthcoming budget.
32. The Chief Financial Officer recognises that local government finance settlements arising from Comprehensive Spending Reviews of 2010, 2013 and 2015 were extremely challenging and there are significant issues for the Council in delivering the budget proposals for 2019/20. The key objective of the MTFF is to provide the Council with a robust financial plan to ensure financial sustainability. The unprecedented set of cuts and pressures required managers to deliver savings of £132.6m over the 4 years 2014/15 to 2017/18 and a further £47.0m over the period 2018/19 to 2020/21.
33. In this context, the budget proposals that are set out in this document are recommended to the Council and are supported by the most up-to-date robust estimates of income and expenditure. The evaluation of the Chief Financial Officer is based on the following key factors: -
  - a. the budget proposals have been developed by those responsible for service delivery, taking account of the implications of implementing the changes. Targets are clear and there is commitment and ownership from managers to deliver. Each budget manager is required to deliver within the budget target. This will provide additional assurance, rigor and comfort for the Council in carrying out its responsibilities. These proposals will provide a balanced budget for 2019/20 as long as the risks (Appendix I) can be managed;
  - b. we have reviewed those service areas that are overspending in 2018/19 and aim to provide adequate funding to ensure that areas of overspend are managed within the budget target for 2019/20;
  - c. a review of the quarter 3 projected outturn figures has been undertaken to further challenge the budget proposals and ensure they are based on the most up to date information available. Any further pressures identified will need to be managed during 2019/20 as part of the revenue monitoring process; and

- d. the development of financial skills amongst Council managers is critical to the success of delivering the spending targets set in this budget.
34. Taking this into account, the Chief Financial Officer believes the 2019/20 estimates used for the Mayor's budget proposals can be delivered.

### **Reserves**

35. Appendix H shows the summary of earmarked reserves. The uncommitted general fund reserves are expected to reduce to £11.5m by 2020/21; this takes into account of utilising £0.8m in 2019/20 to fund the estimated additional cost of the recent Pay Offer. This one-off saving in 2019/20 will be replaced with on-going reductions in the pension deficit budget from 2020/21 onwards.
36. The £6.7m additional funding for Children's Services delivered by Doncaster Children's Services Trust is based on current demand. A contingency is held in case the demand for children's social care services continues to increase at the levels experienced in 2018/19. In 2018/19 the number and complexity of looked after children cases rose to an all-time high of 593 in September 2018. Significant measures have been taken to arrest this increase and Children in Care numbers currently stand at 559 at December 2018.
37. The capital programme for 2019/20 to 2022/23 includes an allocation for the flexible use of capital receipts. This allows the Council to fund expenditure with capital receipts that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in such a way that reduces costs or demand for services in future years. This will be utilised to fund:
- a. VER/VR earmarked reserve – It is estimated that this fund will be fully utilised in 2018/19 and any 2019/20 costs will be funded through the capital programme (flexible use of capital receipts strategy).
  - b. The remainder will be monitored during the year in relation to the year-end projection and earmarked reserves will be updated accordingly.
38. A risk assessment of the Council's level of reserves is carried out each financial year, when setting the budget and updating the financial plan. It is updated regularly during the financial year as part of the formal financial management reporting process. The risk assessment is based on the following key factors: -
- a. a review of known provisions and contingent liabilities;
  - b. the likelihood of overspend for either revenue or capital;
  - c. the likelihood of any additional income that would be credited to reserves;
  - d. the robustness of the Council's revenue budget proposals;
  - e. the adequacy of funding for the Capital Programme; and
  - f. any potential significant expenditure items for which explicit funding has not yet been identified.

39. Appendix I provides the risk assessment of the Council's level of reserves, which estimates the value of the risks at £10.7m leaving £0.8m headroom over the level of un-committed ongoing general fund reserves available of £11.5m (adjusted for the 2019/20 planned use of reserves). The un-committed reserves are not excessive for a Council of our size, which spends £495m a year; £11.5m would only run the Council for 9 days. Further work will be undertaken with an aim to increase the level of uncommitted General Fund reserves from 2019/20 and ensure the reserves remain at a reasonable level to effectively manage all future risks and liabilities. Careful consideration should continue to be given before funding any unexpected costs from reserves and where possible unused funds should be transferred to the uncommitted reserves thereby increasing the balance available. The Council needs to hold sizeable reserves whilst delivering large budget savings in year, e.g. Adults transformation savings of over £12m from 2019/20 to 2020/21.
40. The Local Government Act 2003 requires the Chief Financial Officer to give assurance on the purpose and adequacy of the reserves of the Authority. The Chief Financial Officer has concluded that the level of the uncommitted General Fund reserve balance is adequate to meet known commitments and contingencies based on the information currently available and included in this report.

### **Council Tax Capping & Referenda**

41. Authorities are required to seek approval of their electorate in a referendum if any proposed Council Tax increase exceeds the principles set by Parliament. The Government confirmed the Council Tax Referendum Cap for 2019/20 as part of the final Local Government Financial Settlement on 29<sup>th</sup> January, 2019. Any increase of 5.0% or greater for those authorities that have decided to implement up to the maximum 2.0% adult social care “precept” will be deemed excessive.
42. Full details of the calculation will be presented as part of the Council Tax setting report to Council on 4<sup>th</sup> March 2019.

### **OPTIONS CONSIDERED**

43. A range of options have been considered over the preceding months to arrive at these budget proposals.

### **REASONS FOR RECOMMENDED OPTION**

44. The budget proposals seek the appropriate balance in meeting the savings whilst still delivering on the key priorities; protecting front-line services where possible, in particular children’s social care services.

### **IMPACT ON THE COUNCIL’S KEY OUTCOMES**

45. These are detailed in the table below: -

	<b>Outcomes</b>	<b>Implications</b>
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>Council budget therefore impacts on all outcomes</p>

	<b>Outcomes</b>	<b>Implications</b>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	

## **RISKS AND ASSUMPTIONS**

46. The savings proposals outlined in this report are underpinned by the Council's risk management strategy that helps to minimise risk. The Council's Strategic Risk Register is reviewed and updated on a quarterly basis and each service has formally documented its key risks and the actions taken to mitigate those risks in service plans. Paragraph 38 details the risk assessment of the level of reserves. Key risks in relation to the 2019/20 budget include: -

- a. Potential shortfall on the delivery of the savings, which are increasingly more challenging to deliver. In particular, the Adults, Health & Wellbeing savings will need careful management to ensure they are delivered and reduce the base budget requirement. The cost proposals have been co-produced with managers, with challenging but realistic figures for savings included.
- b. Risks around the Medium-term Financial Forecast budget assumptions, including: -
  - i. An estimate has been included for price inflation; there is a risk that the actual costs could be greater if inflation rises (CPI for December 2018 was 2.1%). Price inflation is applied as determined in the individual contracts; details on the price inflation applied to specific areas of contract expenditure are provided in the MTFE Appendix D paragraphs 32 to 34. All other non-pay budgets assume a cash freeze.
  - ii. There are a number of one-off grants decreasing or ending over the next 2 years, which require expenditure to reduce or cease completely retrospectively, i.e. iBCF one-off funding. This is minimised by building the impact of reduced one-off funding into the cost pressures as part of this budget.
  - iii. Potential future budget pressures, this will be reviewed during 2019/20 for the 2020/21 budget.
  - iv. The 2020/21 budget is outside the current spending review period; the 2019 Government Spending Review will determine the funding available. There will also be a Fair Funding Review which will set out how the funding determined by the Spending Review 2019 will be allocated for 2020/21 onwards. The actual funding may vary considerably to the assumptions included for 2020/21.
  - v. Risk that retained business rates collection will be below budget and appeals will be greater than expected causing the collection fund to run into a deficit, impacting on the funding available to the Council. This risk will increase assuming the Government's plans to increase Business Rate Retention to 75% by 2020/21 are implemented.
  - vi. There is a risk that council tax collection will be less than budget and the collection fund will run into a deficit – impact on the funding available to the Council.

The estimates have been produced on the latest information available and the risks will be monitored during 2019/20 as part of the budget monitoring cycle. The Medium-term Financial Forecast budget assumptions are continuously reviewed and updated for any changes; including a thorough review during 2019/20 in preparation for 2020/21 budget setting.

- c. There is a risk that earmarked and general reserves are insufficient to support the Council during this period. This is minimised by undertaking a risk assessment of reserves annually, regular close monitoring of all balances as part of the monitoring cycle and the identification of contingency funding for demand pressures identified in 2019/20.

## **LEGAL IMPLICATIONS [Officer Initials...NC... Date...24.01.19]**

47. The Council must set a balanced budget ensuring that resources are sufficient to meet its proposed spending plans. The Chief Financial Officer is required to advise the Council of the adequacy of its reserves and the robustness of estimates used in preparing its spending plans.
48. The Local Government Finance Act 1992 places a duty on Local Authorities to set an amount of Council Tax on or before 10<sup>th</sup> March, in the financial year preceding that for which it is set.
49. The Localism Act 2011 introduced a new Chapter into the Local Government Finance Act 1992, which makes provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State.
50. By Regulation, the Government allow Councils to raise Council Tax by a maximum amount. Any further increases would require a local referendum to be held on the increase. In December 2018, the Government confirmed that a unitary authority must hold a referendum if Council Tax is to be increased by 5% or more (Council Tax for general spending requires a referendum if it rises by 3% or more, alongside a maximum 2% social care precept). The Council Tax levels proposed by Doncaster do not exceed that level and if approved by Council may be implemented without the need for a referendum.
51. The Council will need to be satisfied that the budget set will ensure the Authority is able to discharge its statutory duties.
52. Under the general principles of public law, the Council must also act fairly when making budgetary changes or changes to services which potentially involve the reduction or removal of a previously enjoyed benefit. Acting fairly includes consulting fairly with those affected, conscientiously taking into account the results of the consultation and, where appropriate, having due regard to equality impact.
53. Some of the proposals outlined within the budget will affect service users and other individuals, particularly those with protected characteristics within the meaning of the Equality Act 2010. In appropriate cases, the specific budget may only be implemented by further decision making by either Cabinet or other duly authorised decision taker. That decision will need to be taken in full consideration of the Council's duties under the Equalities Act 2010 after full consideration of an appropriate due regard statement.

## **FINANCIAL IMPLICATIONS [Officer Initials...RI... Date...07.01.19]**

54. These are contained within the body of the report.

## **HUMAN RESOURCES IMPLICATIONS [Officer Initials...KM... Date...22.01.19]**

55. There are no immediate HR imps identified within this report, however once post reduction numbers are known (see point 29) further advice should be sought.

## **TECHNOLOGY IMPLICATIONS [Officer Initials...PW... Date...30.01.19]**

56. Technology is as ever an evolving key essential enabler to support the delivery of all services and the key strategic budget themes outlined in this report. Robust and effective ICT governance arrangements will continue to be needed to ensure the delivery of the key priorities. This will be monitored and continuously reviewed via the Council's Technology Governance Board.

57. There will also of course remain the on-going maintenance and support of all current technology as well as upgrades, responses to changes in legislation and continuous service changes and transformation. This includes the further dimension of on-line services, which allow customers to self-serve 24/7 and require constant monitoring, support, continuous development and improvement.
58. The Council's technical infrastructure providing desktop, internet and system connectivity, landline and mobile phone services to all buildings will also need to be maintained and changed or developed as required. This includes St Leger Homes, Doncaster Children's Services Trust and many schools. Increased partnership working including integration with health will also mean significant technical developments.
59. Finally, just as significant is ensuring all staff have the required digital skills to successfully embrace all the new and more efficient ways of working required. Therefore, close working between all services and the ICT and Digital Teams will be essential.

#### **HEALTH IMPLICATIONS [Officer Initials...RS... Date ...15.01.19]**

60. The choices the council makes in both raising and allocating revenue budgets will impact on the health of the population. In general 20% of what contributes to health is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment. The State of the Borough assessment and Doncaster Growing Together plan are both informed by health outcomes and use health outcomes to monitor impact. The impact on a set of health outcomes are also incorporated in the council's corporate plan. Within the financial resources available, this paper sets out clearly the broad areas of revenue investment in both universal and targeted services and how within a reduced financial envelope there are plans to maintain and even improve the quality of local services. The investments in Doncaster Learning will support children to be ready for school, whilst the investments in Doncaster Caring and Living should support reducing social isolation, increasing physical activity and improving mental health. However, investment alone in commissioned or provided services may be insufficient to change wider societal habits and conditions that contribute to these challenges. Wherever possible commissioners and providers of services should seek to maximise social value consider long term social, environmental and economic sustainability and resilience. With sustained long-term cuts in funding, there is likely to be implication on potentially increasing health inequalities. This needs to be considered during the implementation phase so that inequalities and health inequalities are addressed, and monitored. The lack of national guidance on the future of the public health grant from April 2020 places a risk on future public health activity. Where further cabinet reports are required report authors should consider the need for formal health impact assessments or early involvement of the public health team to minimise unintended impacts on health. Health impacts should also be addressed in the due regard statements that are developed alongside these further reports.

#### **EQUALITY IMPLICATIONS [Officer Initials...NC... Date...24.01.19]**

61. In taking this decision, elected members are reminded of their obligations under section 149 Equality Act 2010. This section contains the Public Sector Equality Duty (PSED) which obliges public authorities, when exercising their functions, to have 'due regard' to the need to: -

- a. Eliminate discrimination, harassment and victimisation and other conduct which the Act prohibits;
- b. advance equality of opportunity between people who share relevant protected characteristics and those who do not; and
- c. foster good relations between people who share relevant protected characteristics and those who do not.

Protected characteristics are age, gender, disability, race, sex, sexual orientation, gender reassignment, religion or belief and pregnancy and maternity. Only the first aim of the PSED set out in paragraph (a) above applies to a further protected characteristic of marriage and civil partnership.

Having due regard to advancing equality involves: -

- Removing or minimising disadvantages suffered by people due to their protected characteristic;
- taking steps to meet the needs of people from protected groups where they are different to the needs of other people; and
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

62. Elected members must consciously consider and have due regard to the three aims of the general equality duty when developing and implementing the council's Medium Term Financial Forecast. The Council will ensure it makes fair and informed financial decisions, demonstrating its commitment to improving outcomes for the most vulnerable groups of people living in Doncaster. The Council uses a simple due regard process to ensure due regard is considered and to support a transparent, effective process that is accountable to users and residents. Amongst others, the "due regard" will be informed by: -

- a. **Establishing the key equality issues across Doncaster (Equality Analysis)** – Our Equality, Diversity and Inclusion Framework 2018-2021 has been developed alongside our financial planning process and includes a significant analysis of equality information to identify the key equality issues across Doncaster. We have used the equality information to inform our planning and saving prioritisation process. Our budget proposals seek to limit the impact of budget cuts on the most vulnerable;
- b. **Consultation** – The Mayor launched the draft budget proposals on 24<sup>th</sup> January 2019. Paragraph 64 provides further details on the consultation;
- c. **Prioritisation and Planning** – Our key strategic budget themes specifically prioritise the needs of the most disadvantaged in our communities.

63. Each saving proposal has been reviewed with regard to our PSED obligations. Appendix K shows the budget proposals that may have an equality impact and therefore require a due regard assessment prior to implementation. Some of these proposals may require further specific consultation exercises and review in light of the PSED and be subject to further decisions taken by Cabinet or other authorised decision maker prior to implementation.



## CONSULTATION

64. Directors and Cabinet have considered the budget proposals at several meetings between May 2018 and February 2019. Key dates in the budget timetable leading up to Council approving the budget on the 4<sup>th</sup> March 2019 are detailed below: -

- Government's Autumn Budget – 29<sup>th</sup> October, 2018
- Provisional LG Finance Settlement 2019/20 – 6<sup>th</sup> December, 2018
- Labour Budget Group – 16<sup>th</sup> October, 2018
- Draft budget proposals announced (Council meeting) – 24<sup>th</sup> January, 2019
- Final LG Finance Settlement Announcement 2019/20 – 29<sup>th</sup> January, 2019
- Union consultation – 30<sup>th</sup> January, 2019
- Overview & Scrutiny Management Committee (OSMC) – 7<sup>th</sup> February, 2019. Response: -

The Chair of the Overview & Scrutiny Management Committee has responded to the Mayor's budget proposals, providing budget review outcomes for consideration. These include the recognition of the difficulties in setting a balanced budget that delivers considerable savings, value for money and seeks to protect services delivered to the most vulnerable in the Borough. Additionally the delivery and implementation of the proposals, once agreed are crucial to delivering a balanced budget.

Consideration will be given when planning for the 2020/21 budget to utilising redundant land and buildings through the asset review, which will require a further focus to deliver community benefit. The Mayor commits to providing regular updates on the implementation of the key budget proposals, to what extent is value for money being achieved and how any slippages or key risks are being addressed.

- Cabinet – Council reports – 12<sup>th</sup> February, 2019.
- Council – 4<sup>th</sup> March, 2019

65. This report has significant implications in terms of the following: -

Procurement	X	Crime & Disorder	X
Human Resources	X	Human Rights & Equalities	X
Buildings, Land & Occupiers	X	Environment & Sustainability	X
I.C.T.	X	Capital Programme	X

## BACKGROUND PAPERS

- Council Report – Revenue Budget 2018/19 – 2020/21, 5<sup>th</sup> March 2018.  
<https://doncaster.moderngov.co.uk/documents/s15288/Revenue%20Budget.pdf>

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## Appendices Contents

Title	
Appendix A	Explanation of the Budget Gap
Appendix B	Budget Pressures
Appendix C	Budget Savings
Appendix D	Medium-term Financial Forecast (MTFF) and key assumptions
Appendix E	Council Tax Comparators
Appendix F	Grants to 3 <sup>rd</sup> Sector Organisations
Appendix G	Fees & Charges
Appendix H	Earmarked Reserves
Appendix I	Risk Assessment of Uncommitted General Fund Reserve
Appendix J	Detailed Service Budgets
Appendix K	Budget Due Regard Review

**Explanation of Budget Gap 2018/19 to 2020/21**

	18/19 £m	19/20 £m	20/21 £m	19/20 to 20/21 £m
<b>Baseline Income:</b>	<b>6.7</b>	<b>9.3</b>	<b>-18.2</b>	<b>-8.9</b>
<ul style="list-style-type: none"> <li>Retained Business Rates 2% increase in the multiplier, assumptions on future growth and increase in 2020/21 to replace RSG £11.9m and Public Health Grant £23.2m</li> <li>Top Up increase per CPI and move to 75% retention in 2020/21</li> <li>Revenue Support Grant (RSG) reductions per 4-year offer and 2020/21 which is outside the offer period</li> </ul>	-0.9	1.9	-26.0	-24.1
<b>Specific Grant Changes:</b>	<b>-16.6</b>	<b>-2.4</b>	<b>33.6</b>	<b>31.2</b>
<ul style="list-style-type: none"> <li>Essential Life Skills</li> <li>Improved Better Care Fund (iBCF) (March 2015 announcement)</li> <li>iBCF (March 2017 announcement)</li> <li>Levy Account Surplus (c/f of 18/19 allocation)</li> <li>Opportunity Area Social Mobility Grant</li> <li>Public Health Grant</li> <li>Section 31 grants – Business Rates Retention</li> <li>Social Care Support Grant</li> <li>Troubled Families Grant</li> <li>Winter Pressures Grant</li> <li>Various smaller grants</li> </ul>	-1.8	1.8	0.0	1.8
	-5.8	-5.0	-2.0	-7.0
	0.0	2.2	2.1	4.3
	0.0	-1.2	1.2	0.0
	-3.4	1.4	2.0	3.4
	0.0	0.6	23.2	23.8
	0.9	2.4	0.0	2.4
	0.0	-2.6	2.6	0.0
	-0.1	0.8	0.8	1.6
	-1.5	0.0	1.5	1.5
	-4.9	-2.8	2.2	-0.6
<b>Council Tax Income</b>	<b>-6.3</b>	<b>-8.0</b>	<b>-5.9</b>	<b>-13.9</b>
<b>Grant Exit Strategies</b>	<b>0.0</b>	<b>-8.0</b>	<b>-6.2</b>	<b>-14.2</b>
<b>Staffing Budget Pressure:</b>	<b>3.5</b>	<b>4.1</b>	<b>-2.1</b>	<b>2.0</b>
<ul style="list-style-type: none"> <li>Pay Inflation – based on National Pay Award 2.0% per annum for 2019/20 &amp; 2020/21</li> <li>Increments</li> <li>Future Service Rate Contribution Rate (to 15.5% in 2019/20)</li> <li>Employers Pension</li> <li>Auto Enrolment (from 01.10.17)</li> </ul>	2.1	2.2	2.0	4.2
	0.2	1.5	0.3	1.8
	0.8	0.2	0.0	0.2
	0.2	0.2	-4.4	-4.2
	0.2	0.0	0.0	0.0
<b>Prices Changes:</b>	<b>5.5</b>	<b>5.6</b>	<b>5.6</b>	<b>11.2</b>
<ul style="list-style-type: none"> <li>Adult Social Care Contracts</li> <li>Other inflation</li> </ul>	3.0	3.0	3.0	6.0
	2.5	2.6	2.6	5.2
<b>Levying Bodies Other Expenditure</b>	<b>11.0</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-1.2</b>
<b>Service Budget Pressures:</b>	<b>5.6</b>	<b>21.6</b>	<b>3.5</b>	<b>25.1</b>
<ul style="list-style-type: none"> <li>Full details are shown in Appendix B</li> </ul>				
<b>Funding Gap</b>	<b>9.4</b>	<b>21.4</b>	<b>9.9</b>	<b>31.3</b>
<b>Use of One-off Reserves</b>	<b>2.0</b>	<b>-3.2</b>	<b>3.2</b>	<b>0.0</b>
<b>Gap</b>	<b>11.4</b>	<b>18.2</b>	<b>13.1</b>	<b>31.3</b>

## Draft Budget Proposals 2019/20 - Detail

			Total		£21.605m	£3.518m	£25.123m
Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m
2019/20 Pressure	AH&Wb	Additional Costs on Contract Prices	Additional funding for contract payment increases (above that provided for general inflationary rises) for residential fees and homecare. The increases are aimed at increasing the sustainability of service provision including retaining care workers (estimated increases for residential care £0.43m and homecare £0.185m).	0.000	0.615	0.000	0.615
2017/18 Pressure	AH&Wb	Care Ladder 2019/20	Anticipated increases in demand for services, including demographics, admissions, leavers and changes to the average costs of direct payments. Linked to an estimated 65+ population increase of 7% between 2017 and 2021 from 57,900 to 61,700 (2018 58,630). This will contribute to funding direct payment agreements, older people residential places, working age adults residential places, homecare packages and extra care places. The funding will make sure that services can keep pace with future demand, whilst also focussing on independence, strengths and community support. (Gross budget excluding one-off funding for 2018/19 circa. £50m)	0.714	0.902	1.283	2.185
2019/20 Pressure	AH&Wb	Community Equipment	Increased demand for equipment, part of the strategy to help support people to live independently at home. Gross expenditure budget £0.9m	0.000	0.150	0.000	0.150
2019/20 Pressure	AH&Wb	Deprivation of Liberty Service (DoLS) - new requirements	To meet the current workload pressure of completing the required DoLS assessments for relevant people and prepare for new legislation expected in 2020 which could increase Council responsibility. Gross expenditure budget is currently only £0.117m, which only funds some 9 referrals per week, but actual activity is around 35 referrals now.	0.000	0.436	0.000	0.436
2019/20 Pressure	AH&Wb	Increased Demand for Adult Social Care	Increase in the budget to take account of the full-year impact of increased activity in 2018/19 in all areas of care and support. The total net expenditure budget for 18/19 is £50.555m and is based on approximately 3,100 service users. Since the beginning of 18/19 there have been significant increases in activity, particularly in Home Care and Direct Payments, and the opening number of service users at 01/04/19 is estimated to be around 3,500 (provides for 400 additional service users).	0.000	5.777	0.981	6.758
2019/20 Pressure	AH&Wb	Money Management	Resource needed to support people to manage their direct payment. This will be a new commissioned service that will encourage the take up of direct payments where appropriate.	0.000	0.176	0.000	0.176

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m
2019/20 Pressure	AH&Wb	Removal or Revision of 2018/19 Undelivered Saving Proposals	Rebasing the budget to remove/revise 2018/19 undelivered savings, including: Business Administration staffing reduction £0.342m Customer Journey staffing reduction £0.2m Day Opportunities re-modelling £0.165m Homecare reductions £0.588m Housing Related Support £0.437k Residential Care - Older People & Adults £1.262m	0.000	2.934	0.000	2.934
2017/18 Pressure	AH&Wb	Supported Living	The Council is working with the market to invest in new Supported Living options (e.g. Extra Care, Shared Lives, Short Stay). This will support the shift away from residential care and help deliver the Working Age Residential Care saving. The growth will provide for over 40 complex supported living placements, the Residential Care Working Age Adults savings target includes £2.56m over 2019/20 and 2020/21 for the transfer.	1.183	1.587	0.955	2.542
2017/18 Pressure	AH&Wb	Transitions	The investment of £265k per year is planned to support young people transitioning from children's services into adults services. In 2018/19 a further 4 children are expected to transition. We will work with the individuals and their families to develop appropriate support packages which provide the necessary support and maximises their independence. The £265k growth will be monitored closely to ensure resource is adequate.	0.265	0.265	0.265	0.530

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m
2019/20 Pressure	Children's Trust	Children's Services	The adjusted 2018/19 gross budget is £46.6m (excluding the in-year £6.0m contract variation) includes funds to support 1,059 children in the care of others. The budget for 2019/20 is to be rebased to £53.3m, this includes the effect of increased demand/complexity of cases that will continue into 2019/20, and is projected to support an average of 1,216 children in the care of others. The increased budget also includes £250k for additional resources to manage Special Guardianship Orders (SGOs). The increased budget reflects the national position where Children's Services across the country are experiencing similar cost pressures. The rate of Looked After Children in Doncaster has been below those of its statistical neighbours for the last three years. The funding continues to support services to children and young people that were judged as Ofsted 'Good' in January 2018 and subsequently the 'Outstanding' Ofsted ratings for two Children's Homes and Fostering Service and Adoption Service. Joint work is progressing on strengthening collective commissioning arrangements to support improved care outcomes and better value for money. A Future Placement Needs Strategy group with members from the Council, the Trust and Doncaster CCG has commenced to consider what joint commissioning work and decisions are needed in regards to the service provision that is required in Doncaster moving forward to meet the needs and complexities of the current and future children in the system.	0.000	6.735	0.000	6.735
2019/20 Pressure	Council-Wide	Borrowing	Additional revenue budget required to fund borrowing costs in relation to the Capital Programme.	0.000	0.000	0.278	0.278
2019/20 Pressure	Council-Wide	YPO Dividend	The level of dividend received has been falling in recent years and is expected to do so again for 19/20. Activity levels, i.e. usage of Yorkshire Purchasing Organisation (YPO) by Doncaster Council, are reducing and as the dividend is partly based on these levels, the level of dividend available to Doncaster Council will reduce. Existing income budget is £483k, which reduces to £360k.	0.000	0.123	0.000	0.123
2019/20 Pressure	Corporate Resources	Microsoft Agreement - DMBC	In May 2019 the Council's Microsoft Agreement for Desktop Platform products will end and so will need to make arrangement for Desktop Operating Systems (Microsoft Windows) and Productivity products (Microsoft Office 365 and other applications) by entering into a new Enterprise Agreement for key application such as Office, Exchange Server and majority of internal systems.	0.000	0.326	0.000	0.326

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m
2017/18 Pressure	LOCYP	Additional Short Breaks	Short Break placements/activity - continuing pressures on this budget. Short Breaks Task Group is continuing to review this area and financial modelling across next 5 years indicates return to a balanced budget by 2020/21. The financial modelling identified that £118k was required in 2018/19 and a further £59k in 2019/20, which equates to approx. 13 children. The gross expenditure budget for Short Breaks is £1.4m.	0.118	0.059	0.000	0.059
2019/20 Pressure	LOCYP	Children with Disability Out of Authority placements demand pressure	There is a budget pressure of £480k in 2018/19 on a gross expenditure budget of £2m in this area. A review is underway, including planned utilisation of a foster care model approach from October 2019, which is anticipated to reduce the cost pressure to £292k in 2019/20 and £58k in 2020/21.	0.000	0.292	-0.234	0.058
2018/19 Pressure	LOCYP	Passenger Transport	Estimated cost pressure due to the anticipated national requirement on whether local authorities & schools will still be able to operate under section 19 as Transport is not their main business. Detailed analysis shows annual costs will increase by £10k with a further £159k needed in 18/19 and £117k every five years. Consultation was expected in Autumn 18 from Department for Transport (DfT) but this not yet happened; funding was provided in 2018/19 and held in reserve if implemented.	0.169	-0.159	0.000	-0.159
2019/20 Pressure	LOCYP	SEN Transport demand pressure	Special Education Needs (SEN) transport is currently projecting an overspend of £250k for 2018/19, on a gross expenditure budget of £5.4m. A strategic transport review is underway to address this overspend & £350k functional review saving in 2019/20, offset by £391k one off saving in 2019/20. Figures are estimates and subject to modelling work required as the review progresses, with proposals to be completed by the end of March 2019.	0.000	0.002	0.090	0.092
2018/19 Pressure	R&E	Bereavement	Reduced income as a result of less commercial opportunities for selling cleaner air credits (total income budget £3.1m).	0.045	0.011	0.000	0.011
2019/20 Pressure	R&E	Bereavement	Additional funding required to ensure sufficient budget for the preparation of graves.	0.000	0.072	0.000	0.072
2019/20 Pressure	R&E	Bereavement	Providing ongoing funding for 8 additional posts created in 2018/19 for Cemeteries and Town Centre.	0.000	0.162	0.000	0.162

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m
2019/20 Pressure	R&E	Design	Pressure caused by a reduction in work to schools due to transfer to Academies. Education work has decreased generally which affects the design income. This includes the Capital Condition fund for retained schools had a budget of £2.75m in 18/19, it is expected this will be reduced to £1.375m in 19/20 which will reduce fee income by £80k and contributes towards the £112k pressure.	0.000	0.112	0.000	0.112
2019/20 Pressure	R&E	Facilities Management	Income shortfalls at Mary Woollett Centre and Holmescarr Centre. In particular a new community lease at Holmescarr means the income target is no longer achievable.	0.000	0.049	0.000	0.049
2019/20 Pressure	R&E	Highways (general fund)	Additional budget is needed due to gulley frame thefts £50k, unbudgeted winter standby £30k, carriageway reactive maintenance £70k. In order to meet these costs, savings have been identified in Highways of the same value. Highways has a gross budget of £7.5m and 67 FTEs.	0.000	0.150	0.000	0.150
2019/20 Pressure	R&E	Markets	Income has reduced across the markets over the last few years and though additional budget was provided in 18/19 this was on a temporary basis.	0.000	0.330	0.000	0.330
2019/20 Pressure	R&E	Metroclean	Reduction in surpluses achievable for services supplied to schools due to academisation. This has resulted in a reduction in income specifically to Secondary School Academies that employ their own Facilities Management teams and manage the cleaning service internally. The loss of such schools means the surpluses (margins of around 20%) aren't achievable. (Total income budget for 2018/19 £4.3m).	0.000	0.214	0.000	0.214
2019/20 Pressure	R&E	North Bridge depot	Running costs of depot, including repairs and security. Security has been increased due to thefts. Repairs costs have gone up due to the age and condition of the depot.	0.000	0.040	0.000	0.040
2018/19 Pressure	R&E	Planning	Additional funding provided to meet the costs of the Local Plan examination e.g. costs associated with the independent inspection. This funding is removed from 2020/21 onwards	0.100	0.000	-0.100	-0.100
2019/20 Pressure	R&E	Strategic Housing	Pressure due to increased temporary homelessness costs and Severe Weather Emergency Plan; this is the ongoing pressure for 2019/20 onwards. The gross budget for homelessness is £0.5m.	0.000	0.245	0.000	0.245



## Draft Budget Proposals 2019/20 - Detail

Total					-£18.195m	-£1.231m	-£19.426m		53.8	22.2	76.0
Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m	2018/19 FTE	2019/20 FTE	2020/21 FTE	Total FTE
2018/19 Saving	AH&Wb	Community Safety	The Community Safety Service will focus on all areas of the budget to make these savings while minimising impact on service delivery. Savings through vacant posts and non-pay reductions have already been delivered in 2018/19, leaving a balance of £34k to be identified during 2019/20 (Gross budget £1.6m).	-0.020	-0.172	0.000	-0.172	0.0	2.0	0.0	2.0
2019/20 Saving	AH&Wb	Contract Review	The Council currently spends approximately £77m on Adult Social Care contracts annually. All contracts due for renewal will be reviewed to identify efficiency opportunities or areas where contracts can be reduced. The target saving represents 0.8% of overall annual spend.	0.000	-0.400	-0.250	-0.650	0.0	0.0	0.0	0.0
2017/18 Saving	AH&Wb	Day Opportunities	The service is being modernised to promote better choice and control through self-directed support and creating integrated community opportunities that will generate efficiencies, improve outcomes and experiences for people assessed as having support needs. The savings have been generated by remodelling traditional service provision, providing service users with alternative person centred and cost effective options. Independent and in-house providers aim to provide a wider range of tailored activities which support people to take part of in activities in their local communities. Travel options are being reviewed to support individuals independence, create alternative options and make best use of what is available. Current gross expenditure budget £2.93m.	-0.328	-0.266	-0.409	-0.675	5.0	10.0	5.0	15.0
2019/20 Saving	AH&Wb	Fees & Charges	Planning target for the review of fees and charges for Adults, Health & Wellbeing services. This decision will not be taken in the budget and will be subject to separate decision making.	0.000	-0.630	0.000	-0.630	0.0	0.0	0.0	0.0
2019/20 Saving	AH&Wb	Front Door and Community Offer	This target will be delivered by improving the 'front door' and community offer through increased community support, rehabilitation and reablement, use of assistive technology and sign-posting. Also by focussing on people's strengths and giving them more independence this will reduce numbers entering long term care. Outcomes for people will improve and quality of life will be better as a result. Currently there are some 2,956 people receiving a care package (residential, homecare or direct payment) costing £41m (net) per year and there are roughly 1500 new admissions each year. The £0.262m target in 19/20 equates to a prudent reduction of 35 admissions into care. In 20/21, when we expect the community offer to be greater and more effective, the reduction in admissions equates to 180.	0.000	-0.262	-1.103	-1.365	0.0	0.0	0.0	0.0

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m	2018/19 FTE	2019/20 FTE	2020/21 FTE	Total FTE
2017/18 Saving	AH&Wb	Home Care & Direct Payments	There are a number of initiatives which will reduce the overall gross spend of £25m on homecare and direct payments; - improved practice standards and workforce development which will provide a focus on value for money and promote strength-based reviews reducing admission costs by 5% (£0.36m) in 20/21. - homecare reviews will make sure that people are protected, have the right level of support in the right way from the right number of carers and promote independence, making best use of assistive technology options by focussing on very high cost packages saving £0.1m and very low cost packages saving £0.685m in 19/20 only, redirecting approximately 1/3 of current packages of less than 7 hours per week to alternative provision at no cost to the Council. - reviewing packages where 2 carers are used and it is estimated a reduction on 1/4 of current 2 carer packages will deliver £0.257m savings in both 19/20 and 20/21. - extra care will be maximised to transfer existing clients where appropriate saving £0.361m in 19/20.	-0.588	-1.461	-0.936	-2.397	0.0	0.0	0.0	0.0
2018/19 Saving	AH&Wb	Housing related support services	This proposal removes the budget in 2019/20 for (discretionary) housing related support services that came to an end in 2018/19. Services have been updated, with a view to the transition of current service users to more appropriate forms of support.	-0.719	-0.133	0.000	-0.133	0.0	0.0	0.0	0.0
2017/18 Saving	AH&Wb	Leisure Trust	This proposal is linked to Get Doncaster Moving, aiming for more people to be physically active not only through organised sport but making healthy choices in everyday activities such as active travel. There will be more capital investment for leisure, which will assist Doncaster Culture & Leisure Trust to deliver the general revenue efficiencies from 2019/20 and therefore reduce revenue subsidy for taxpayer.	0.000	-0.250	0.000	-0.250	0.0	0.0	0.0	0.0
2017/18 Saving	AH&Wb	Public Health Grant	Grant reduction of £0.63m for 2019/20 confirmed. This will exhaust the public health reserve and require developing options for how substance misuse services and children's public health services are commissioned.	-0.628	-0.629	0.000	-0.629	0.0	0.0	0.0	0.0
2017/18 Saving	AH&Wb	Residential Care - Working Age	Vulnerable people will have more independence and be able to live in their own homes, with appropriate support from the community and where necessary from public services. This includes the transition of people from residential settings into more appropriate, more independent support options including 40 to supported living saving (£2.56m over 2019/20 & 2020/21) and provision of care by DMBC (£0.15m). Note that this is linked to the Supported Living growth of £2.54m (over 2019/20 & 2020/21).	-0.400	-1.700	-1.160	-2.860	0.0	0.0	0.0	0.0
2017/18 Saving	AH&Wb	Staffing Restructuring & Functional Review	Managing the workforce to deliver effective and efficient services. This will include the control of vacant posts and a senior management restructure in 19/20, leading to a functional review in 20-21 that works across the Adult Health and Well Being and Children's Directorates and strengthens area based service delivery.	-0.200	-0.570	-0.570	-1.140	6.0	21.0	4.0	25.0

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m	2018/19 FTE	2019/20 FTE	2020/21 FTE	Total FTE
2018/19 Saving	AH&Wb	Stronger Communities	The saving is planned for 2020/21. It relates to staff efficiencies through alignment of teams to the community led support model and enablement agenda, which will also improve productivity. The saving of £200k is 9% of the net budget and equates to a reduction of approximately 7 full time equivalents. Present gross expenditure £2.99m, gross income £0.75m, net £2.24m	0.000	0.000	-0.200	-0.200	0.0	0.0	7.0	7.0
2018/19 Saving	AH&Wb	Supported Living	Supported living to promote independence and help people to live in their own homes, with appropriate support from the community and where necessary from public services. A strengths based approach will facilitate implementation of the opportunities presented by new supported living contracts (September 2018), using more assistive technology to support night care and improving daytime provision (£0.2m). Client reviews will make sure that appropriate support is in place in each setting and improve value for money as a result (£0.365m). Present gross expenditure £16.04m, saving 3.5%	-0.900	-0.570	-0.570	-1.140	0.0	0.0	0.0	0.0
2017/18 Saving	Council-Wide	Fees & Charges	General fees and charges increases - the overall policy for 2019/20 is to increase the charges by 3% with some higher changes to ensure the Council is not subsidising the charges.	-0.302	-0.290	-0.290	-0.580	0.0	0.0	0.0	0.0
2018/19 Saving	Council-Wide	Metropolitan Debt Levy	South Yorkshire County Council was abolished in 1986 and its four metropolitan boroughs (Doncaster, Barnsley, Rotherham and Sheffield) became unitary authorities. The SYCC debt was allocated out to the four Councils and, as at 01/04/19, Doncaster's share of the debt will be £4.5m. The principal repayment increases every year in line with the repayment schedule - 19/20 £2.1m and a final repayment in 20/21 £2.4m.	-0.078	0.051	0.039	0.090	0.0	0.0	0.0	0.0
2019/20 Saving	Council-Wide	Minimum Revenue Provision (MRP) - reprofiling	Use of underspends created by the reprofiling of borrowing repayments (MRP) £4.3m in 19/20 only - this isn't an ongoing source of funding.	0.000	-4.300	4.300	0.000	0.0	0.0	0.0	0.0
2018/19 Saving	Council-Wide	Parish Councils	Local Council Tax Support (LCTS) Parish Council Grant reductions - current grant is £188k. 10% reductions were implemented in 2015/16 and 2016/17, the grant remained the same in 2017/18. Remainder of grant profiled to reduce annually from 2018/19 by 20%, 30% in 2019/20 and 30% in 2020/21 (reducing to zero).	-0.064	-0.094	-0.094	-0.188	0.0	0.0	0.0	0.0
2017/18 Saving	Council-Wide	Pension - former employees	A reduction in pensions paid to former employees. The number of former employees falls every year. The budget in 2018/19 is £5.2m.	-0.180	-0.100	-0.100	-0.200	0.0	0.0	0.0	0.0
2019/20 Saving	Council-Wide	Pension - prepayment	One-off saving due to the decision taken in 2017/18 to prepay the pension deficit and to prepay 80% of the Future Service Rate contributions for the period 2017/18 - 2019/20.	0.000	-1.700	1.700	0.000	0.0	0.0	0.0	0.0
2018/18 Saving	Council-Wide	South Yorkshire Passenger Transport Executive (SYLTE)	SYLTE savings represent reduction in the levy payment of 2.5% in 19/20 and 2.0% in 20/21. This will mainly be delivered through a restructure of capital financing liabilities to find more efficient ways of providing for debt obligations. There will not be any policy changes in 2019/20.	-0.356	-0.279	-0.240	-0.519	0.0	0.0	0.0	0.0

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m	2018/19 FTE	2019/20 FTE	2020/21 FTE	Total FTE
2019/20 Saving	Council-Wide	Treasury Management	The majority of the revenue saving is generated through proactive management of the Capital Financing Requirement (CFR) in accordance with the Treasury Management Strategy for 2019/20 to 2022/23. In addition only half of the maturities will be replaced in 2019/20 saving £70k. These savings are offset by increased borrowing costs of £370k to fund the capital programme.	0.000	-0.400	0.000	-0.400	0.0	0.0	0.0	0.0
2017/18 Saving	Corporate Resources	Corporate Resources	Savings identified from within Corporate Resources includes: Revenues and Benefits £712k (mixture of salary and non-salary budgets), Finance £131k (mainly salary budgets), Strategy and Performance £100k (mixture of salary and non-salary budgets), Legal £50k (mainly salary budgets) and HR, Comms and Exec Office £25k (potential Christmas 2019 closedown - options being explored).	0.000	-1.018	-0.200	-1.218	0.0	13.6	6.2	19.8
2017/18 Saving	LOCYP	LOCYP: Functional Review	A functional review of the LO-CYP structure contributed towards phase 2 restructure target of £0.8m over 2018/19 to 2020/21. The functional review, including staff consultation and savings was completed in May 2018. The functional review delivers £500k savings by 2020/21, this includes transitional staffing arrangements through 2018/19 and 2019/20, releasing £50k in 19/20 and £267 in 2020/21. £300k savings in 2019/20 are expected to be found through the Strategic Transport Review referenced under "SEN Transport demand" budget pressure.	-0.183	-0.350	-0.267	-0.617	23.5	0.0	0.0	0.0
2019/20 Saving	LOCYP	LOCYP: Savings one-off in-year	One off budget savings identified for 2019/20 by reprioritising existing Earmarked reserves and Service Transformation Funding allocations following changes to staffing budget requirements following LOCYP's functional review.	0.000	-0.225	0.225	0.000	0.0	0.0	0.0	0.0
2019/20 Saving	LOCYP	LOCYP: Savings on-going	Review of in year savings in 2019/20 (£69k savings target) and ending of 7 fixed term posts from 2020/21, with saving offset by permanent funding required for 1 Head of Service post (£81k net saving), to offset the overall LOCYP budget pressures and expected to amount to £150k in total.	0.000	-0.069	-0.081	-0.150	0.0	0.0	0.0	0.0
2016/17 Saving	R&E	Assets	The savings in 19/20 and 20/21 related to the running costs of 6 buildings to be disposed of and rental income to be received from investments.	-0.423	-0.620	-0.200	-0.820	0.0	0.0	0.0	0.0
2019/20 Saving	R&E	Fleet	Additional savings identified within R&E to meet cost pressures. In 19/20 this will come from Fleet savings due to delays in purchasing replacement fleet (taking into account the replacement programme approved by Cabinet in December 2018). Work is ongoing to identify savings from 2020/21 onwards.	0.000	-0.640	0.000	-0.640	0.0	0.0	0.0	0.0
2019/20 Saving	R&E	Facilities Management	All external users to be charged for room hire at Mary Woollett Centre.	0.000	-0.052	0.000	-0.052	0.0	0.0	0.0	0.0
2017/18 Saving	R&E	Highways (general fund)	The 2020/21 saving will be met through Asset Maint £75k, Safer Roads £10k, Network Management £30k, Highways Operations £20k and a further transfer from the Local Transport Plan £365k, which is not sustainable beyond 2021/22. Further options to be considered as part of 2020/21 budget setting.	-0.500	0.000	-0.500	-0.500	0.0	0.0	0.0	0.0

Proposal	Directorate	Service/ Saving Proposal	Proposal Narrative -	2018/19 £'m	2019/20 £'m	2020/21 £'m	2019/20 - 2020/21 Total £'m	2018/19 FTE	2019/20 FTE	2020/21 FTE	Total FTE
2019/20 Saving	R&E	Highways (general fund)	Use of capital grants to reduce the use of revenue budgets for capital works. This means less capital funding is available for improvements to roads - £150k will typically pay for 1 to 1.5 resurfacing schemes (depending on road length). This saving mitigates a cost pressure in Highways of the same value. Highways has a gross budget of £7.5m and 67 FTEs.	0.000	-0.150	0.000	-0.150	0.0	0.0	0.0	0.0
2017/18 Saving	R&E	Highways and Streetscene	The Highways Operations and Streetscene saving of £639k for 2019/20 will be achieved by:- (a) Highways Operations - £150k - Street Lighting (through reduction in spend on materials, equipment, testing and energy) (b) Street Scene - £489k through:- (i) Repairs and Maintenance of Vehicles - £20k (ii) Markets Waste Disposal costs to SUEZ - £18k (iii) Reduction in Supplies/services - £32k (iv) Woodland Improvement Project - £5k (Branching out to other woodlands) (v) Further Income Generation- Trees/Schools etc - £33k (vi) Service Transformation - Further post reductions to be identified (7 day working) - £51k (vii) Reduction to overtime - £10k (viii) Fleet - Reduction in number of sweepers - £75k (ix) Income - work done for St Leger Homes - £240k (x) Parks and Green space - R&M budget review - £5k Streetscene and Highways Operations has a gross budget of £24m and 354 FTEs.	0.000	-0.639	0.000	-0.639	0.0	2.0	0.0	2.0
2018/19 Saving	LOCYP	Independent Travel Training Scheme	Independent Travel Training Scheme - savings will be delivered through training young people and vulnerable adults to travel independently and thereby reducing expensive forms of transport e.g. taxis.	0.000	0.000	-0.025	-0.025	0.0	0.0	0.0	0.0
2019/20 Saving	R&E	Metroclean	Investment in equipment will create savings through reduced maintenance and labour costs. Additionally, cleaning standards in Council buildings (not schools or other external partners) will be reduced. The impact of a reduction in standards will be a reduced staffing requirement, which will need careful management and consultation with staff and trade unions with advice from Human Resources. The impact on individuals will be minimised by not filling vacant posts and seeking voluntary redundancies. Measures will be taken to ensure staff and building users understand the new standards. Metroclean has a gross budget of £4.8m and 205 FTEs	0.000	-0.107	0.000	-0.107	0.0	5.2	0.0	5.2
2019/20 Saving	R&E	Strategic Housing	Savings identified by St Leger Homes through reduced use of Bed & Breakfast accommodation, the introduction of service charges on temporary accommodation and improved Housing Benefit take-up. The gross budget for homelessness is £0.5m.	0.000	-0.170	0.000	-0.170	0.0	0.0	0.0	0.0
2017/18 Saving	R&E	Waste Contract	The £300k saving in 20/21 will be met through a) the new Household Waste Recycling Centres contract £295k and b) the recent decision to remove some bring sites and their associated costs £5k.	-0.200	0.000	-0.300	-0.300	0.0	0.0	0.0	0.0

**Detailed Medium-Term Financial Forecast (MTFF)**

The Medium-term Financial Forecast for 2018/19 – 2020/21 is provided below: -

	Parag raph	2018/19 £m	2019/20 £m	2020/21 £m
<b>Major Funding Sources</b>				
Retained Business Rates*	6,21	46.436	44.523	70.723
Top Up*	7,21	33.527	34.296	46.482
Revenue Support Grant (RSG)*	1	28.131	20.041	0.000
<b>Total Baseline Income</b>		<b>108.094</b>	<b>98.860</b>	<b>117.205</b>
Specific Grants	3,12	75.477	78.473	68.011
Public Health Grant*	15	23.809	23.180	0.000
Council Tax Income	18	106.696	114.721	120.586
Customer & Client Receipts		51.146	51.146	51.146
Other Income	26	65.384	65.384	65.384
Housing Benefit	29	70.015	60.250	60.250
<b>Total Income</b>		<b>500.621</b>	<b>492.014</b>	<b>482.582</b>
<b>Total Council Expenditure Including Public Health (Funded)</b>		<b>505.351</b>	<b>500.621</b>	<b>495.244</b>
<b>Expenditure Changes</b>				
Change in Housing Benefit (nil impact on reductions required)	29	-16.531	-9.765	0.000
Grant decreases exit strategies in place (one-off)	13	-4.049	-6.399	-4.857
Grant decreases exit strategies in place (on-going)	13	-1.878	-1.554	-1.303
Staffing	30	3.546	4.107	-2.072
Prices Changes	34	5.470	5.642	5.642
Levying Bodies	37	0.100	0.100	0.100
Expenditure funded from additional income included above		11.330	-0.918	-0.520
Budget Pressures	37	5.107	21.605	3.518
Savings to be identified			-21.425	-13.170
Impact of Budget Proposals		-7.825		
<b>Gross Budget</b>		<b>500.621</b>	<b>492.014</b>	<b>482.582</b>
Use of one-off Committed Reserves			-3.230	
<b>Gap Between Reductions Identified &amp; Required</b>		<b>0.000</b>	<b>0.000</b>	<b>11.939</b>
<b>Gross Budget (Total Income plus one-off uncommitted reserves)</b>		<b>500.621</b>	<b>495.244</b>	<b>482.582</b>
<b>Net Budget Requirement (including Baseline Income)</b>		<b>214.790</b>	<b>213.581</b>	<b>237.791</b>

\* Retained Business Rates increased in 2020/21 by £12m to compensate for nil RSG in this year, by £23m to compensate for nil Public Health Grant in this year and reduced by £10.5m to compensate for increased Top Up Grant in this year due to the proposed implementation of 75% Business Rates Retention.

## REDUCTION IN GOVERNMENT GRANTS

1. Over the last eight years, subsequent Governments have sought to reduce public finances in response to national and global economic events. It is expected that the austerity programme will continue for the foreseeable future for local government, e.g. the RSG cuts for 2019/20 contained in the 4-year settlement offer have not been reversed. There have been three Spending Review announcements in 2010, 2013 and 2015 covering in total the years 2011/12 – 2019/20 aimed at removing the Government's budget deficit and bringing the Government's finances back into surplus. To summarise the position: -
  - a. As part of the austerity programme designed to return the public finances to balance, subsequent Governments have reduced funding to Councils. In the Autumn Statement November 2016, the government remained committed to returning the public finances to balance, however due to the weaker growth outlook and the period of uncertainty, while the UK negotiates a new relationship with the EU the government will no longer seek to reach a fiscal surplus in this Parliament.
  - b. In the 2016/17 Finance Settlement, Government announced the opportunity for Councils to accept a multi-year settlement offer to 2019/20. As part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. The Government have said that Councils should also use their multi-year settlements to strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents. The Council accepted this offer in October 2016.
2. Prior to the General Election in June 2017, the Government consulted on changes to the local government finance system (including a review of the formula used) to pave the way for the implementation of 100% business rate retention from either 2019/20 or 2020/21. As part of this process, RSG will be phased out. In order to do this, the Government proposed new legislation in the Local Government Finance Bill. The Local Government Finance Bill was dropped from the parliamentary timetable ahead of the General Election and it was not reintroduced in the Queen's Speech and so it will not form part of the Parliamentary timetable for this session. However, the Government remain committed to local government taking greater control of their income, as outlined in the Conservative Party Manifesto. In the 2018/19 provisional Finance Settlement, Government confirmed their aim to increase business rates retention for all local authorities in 2020/21 to help meet the commitment to give local authorities more control over the money they raise locally. The government wants local authorities to retain 75% of business rates from 2020/21. This will be through incorporating existing grants into business rate retention including RSG and the Public Health Grant.
3. In response to the growing concerns of local government about the escalating costs of providing both Adult and Children's social care, the government has announced a number of one-off grants for 2018/19 and 2019/20. These grants are detailed further in paragraph 12.

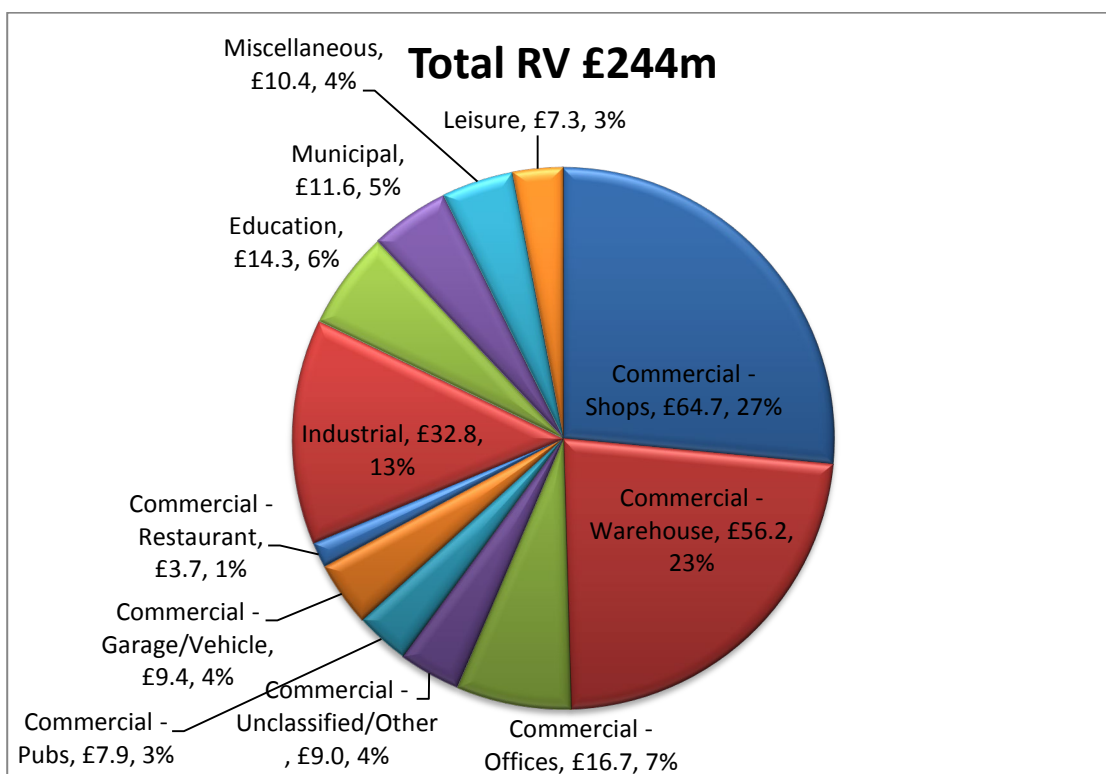
4. There are 2 major reviews upcoming during 2019 that could have a significant effect on the funding available for the council: -
  - a. There will be a Spending Review in 2019 which will set out the funding available for Government Departments for 2020/21 onwards.
  - b. There will be a Fair Funding Review which will set out how the funding determined by the Spending Review 2019 will be allocated for 2020/21 onwards.

It is not yet possible to determine the impact of these wide ranging reviews. The Government aims to publish indicative allocations through a formal consultation before the 2020/21 provisional local government finance settlement but that could be as late as October 2019.
5. At this stage, the MTFF does not take account of any devolution proposals, either for the Sheffield City Region or One Yorkshire.

## **RETENTION OF BUSINESS RATES**

6. The Business Rates Retention scheme, whereby 50% of local business rates income is retained locally (the Council retains 49% and passes on 1% to the South Yorkshire Fire & Rescue Authority) and 50% is passed to Government, has been in operation since 2013/14.
7. The emphasis of these reforms is to move local government funding away from a needs based system to one based on business rates and incentivising growth in the Council Tax Base (through the operation of the New Homes Bonus).
8. The final local government finance settlement for 2013/14 set the baseline funding levels for the local retention of business rates model. The difference between each council's individual business rate baseline and their calculated baseline funding level results in either a top up or a tariff that is paid from/to councils from central government. The Council will receive top-up grant of £34.296m for 2019/20.
9. The baseline funding level has not been reset since the scheme came into operation. Central Government has announced that there will be a full reset of business rates in 2020/21. This means that any "growth" within the current business rates system up to 2019/20 will be transferred into baseline need and effectively lost to the Spending Review 2019 / Fair Funding Review. This could have a significant impact on the level of top-up grant the Council receives. Although it is not possible to estimate what the impact will be at this stage, the Council had a favourably low baseline in 2013 and could potentially see a large drop in top-up grant when the reset takes effect in 2020/21.
10. Full revaluations are carried out every three years and the last revaluation took place on 1st April 2017. The next revaluation therefore, is scheduled for 2020/21.
11. For information, the breakdown of total rateable value of Business Rates by category, based on the 2018/19 list, is shown in the chart below: -





## SPECIFIC GRANTS

12. The Council receives a number of specific grants which are non-ring fenced and can be redirected to other areas of service provision as required. It also receives some specific grants that are ring fenced and can only be used for the specific purpose set out in the grant conditions. There are far fewer specific grants than in previous Spending Review periods as Government has rolled in excess of £5 billion of these grants into the baseline income for Business Rates Retention. The largest specific grant is Public Health and this is shown separately in the MTF. In addition to Public Health, further details of the main specific grants (ring fenced and non-ring fenced) are provided below. The following table details the amounts announced for 2018/19 and the assumptions for 2019/20 - 2020/21: -

Grant	Issued By	2018/19 £m	2019/20 £m	2020/21 £m
<b>Non Ring-fenced</b>				
Extended Rights to Free Transport	DfE	0.143	0.143	0.143
Local Reform & Community Voices	DH	0.206	0.206	0.206
War Pension Disregard	DH	0.140	0.140	0.140
Local Authority Data Sharing	DWP	0.002	0.000	0.000
New Burdens Grant	DWP	0.133	0.137	0.137
Universal Credit	DWP	0.237	0.080	0.080
Verify Earnings and Pensions	DWP	0.062	0.062	0.062
Brexit Preparation Grant	MHCLG	0.105	0.105	0.000
Flexible Homelessness Support Grant	MHCLG	0.228	0.308	0.000
Homelessness Reduction Grant	MHCLG	0.072	0.089	0.000
Levy Account Surplus (c/f of 2018/19 allocation)	MHCLG	0.000	1.153	0.000
New Homes Bonus	MHCLG	4.459	4.469	3.546
Section 31 grants relating to Retained Business Rates	MHCLG	5.031	7.465	7.465

<b>Grant</b>	<b>Issued By</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Troubled Families Grant	MHCLG	1.598	0.834	0.000
<b><u>Ring-fenced</u></b>				
NPO Grant	Arts C	0.100	0.100	0.100
Additional recurrent Children's Services Trust Costs	DfE	0.207	0.191	0.191
Dedicated Schools Grant (DSG) - Central Element (Includes Early Years)	DfE	28.911	28.739	28.739
Essential Life Skills	DfE	1.750	0.000	0.000
Music Services Grant	DfE	0.438	0.438	0.438
Opp Area Social Mob Grant	DfE	3.400	2.000	0.000
Personal Adviser duty Implementation Grant	DfE	0.019	0.019	0.019
Pupil Premium Grant (Children in Care Element)	DfE	0.961	0.961	0.961
School Improvement & Brokerage Grant	DfE	0.179	0.179	0.179
SEND Implementation Grant	DfE	0.217	0.000	0.000
Staying Put Implementation Grant	DfE	0.146	0.146	0.146
Access Fund (Local Sustainable Transport)	DfT	0.422	0.358	0.000
Bikeability	DfT	0.021	0.021	0.021
Bus Service Operator's Grant - Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant	DfT	0.020	0.020	0.020
Care Act Grant (Social Care in Prisons)	DH	0.343	0.343	0.343
Discretionary Housing Payments (DHPs)	DWP	0.784	0.676	0.676
Housing Benefit Subsidy Admin Grant	DWP	1.074	0.948	0.836
Independent Living Fund	DWP	0.703	0.682	0.660
Adult Social Care Grant	MHCLG	0.944	0.000	0.000
Council Tax Support Admin Subsidy	MHCLG	0.411	0.382	0.357
Improved Better Care Fund (iBCF) (March 2015 announcement)	MHCLG	7.176	12.185	14.185
Improved Better Care Fund (iBCF) (March 2017 announcement)	MHCLG	4.316	2.136	0.000
Migration Fund	MHCLG	0.332	0.308	0.000
The Private Finance Initiative (PFI) (Schools - fixed for the 25 years duration of PFI scheme)	MHCLG	3.478	3.478	3.478
Social Care Support Grant	MHCLG	0.000	2.579	0.000
Winter Pressures Grant	MHCLG	1.510	1.510	0.000
Waste Infrastructure Grant	DEFRA	2.385	2.385	2.385
Asylum Seekers (Unaccompanied Asylum Seeking Children)	HO	0.100	0.100	0.100
Independent Domestic Violence Advisors (IDVA) Grant	HO	0.010	0.010	0.010
Syrian Resettlement Programme Grant	HO	0.125	0.141	0.141

<b>Grant</b>	<b>Issued By</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Adult and Community Learning from Skills Funding Agency	BIS	0.747	0.677	0.677
Apprenticeship Levy	BIS	0.164	0.058	0.058
Higher Education Funding Council for England (HEFCE) Payments	BIS	0.179	0.179	0.179
ERDF & ESIF - Launchpad	EC	0.181	0.102	0.102
ERDF & ESIF - SCR Growth Hub	EC	0.060	0.014	0.014
ERDF & ESIF - Technical Assistance	EC	0.040	0.040	0.040
Heritage Lottery Fund	HLF	0.157	0.126	0.126
Initial Teacher Training (ITT)	NCTL	0.447	0.447	0.447
Youth Justice Board	YJB	0.604	0.604	0.604
<b>Specific Grants (Excl PH &amp; HB Grants)</b>		<b>75.477</b>	<b>78.473</b>	<b>68.011</b>

13. Subsequent grant announcements may result in additional cuts to specific grants over and above those previously identified; where this is the case it is assumed that the activities will cease and the Council will no longer incur expenditure in these areas, i.e. there will be exit strategies for all grant reductions. Exit strategies are required for the following grant reductions and therefore these are not included in the budget gap, further details are provided in the table below: -

<b>Grant Exit Strategy</b>	<b>Issued By</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
<b>One-off</b>				
Adult Social Care Grant	MHCLG	-0.576	-0.944	
Ambition SCR	BIS	-0.129		
Brexit Preparation Grant	MHCLG			-0.105
Essential Life Skills	DfE		-1.750	
Flexible Homelessness Support Grant	MHCLG			-0.308
Improved Better Care Fund (iBCF) (March 2017 announcement)	MHCLG	-2.730	-2.180	-2.136
Launchpad & Growth Hub	EC	-0.081	-0.125	
Migration Fund	MHCLG			-0.308
Neighbourhood Planning Grant	MHCLG	-0.040		
Opp Area Social Mob Grant	DfE		-1.400	-2.000
S31 grant - Business Rate Inflation Compensation - Top Up	MHCLG	-0.493		
<b>On-going</b>				
Access Fund (Local Sustainable Transport)	DfT		-0.064	-0.358
Additional recurrent Children's Services Trust Costs	DfE	-0.019	-0.016	
Adult and Community Learning from Skills Funding Agency	BIS	-0.050	-0.070	
Apprenticeship Levy	BIS		-0.106	
Asylum Seekers (Unaccompanied Asylum Seeking Children)	HO	-0.090		
Dedicated Schools Grant (DSG) - Central Element (Includes Early Years)	DfE		-0.172	

<b>Grant Exit Strategy</b>	<b>Issued By</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Discretionary Housing Payments (DHPs)	DWP	-0.102	-0.108	
Heritage Lottery Fund	HLF		-0.031	
Homelessness Reduction Grant	MHCLG	-0.007	0.017	-0.089
Independent Living Fund	DWP	-0.023	-0.021	-0.022
Individual Electoral Registration	CO	-0.002		
Local Authority Data Sharing	DWP	-0.010	-0.002	
Music Services Grant	DfE	-0.003		
New Burdens Grant	DWP	-0.020		
Right Benefit Initiation (RBI)	DWP	-0.047		
SEND Implementation Grant	DfE	-0.231	-0.217	
Transitional Education Services Grant	DfE	-0.511		
Troubled Families Grant	MHCLG		-0.764	-0.834
Universal Credit	DWP	-0.085		
Youth Justice Board	YJB	-0.050		
<b>Public Health Grant</b>	<b>DH</b>	<b>-0.628</b>		
<b>Total Exit Strategies</b>		<b>-5.927</b>	<b>-7.953</b>	<b>-6.160</b>

14. Further information on other significant specific grants is provided below: -

- a. Improved Better Care Fund (iBCF) 2015 settlement – the Government provided £1.5 billion additional funding for local authorities to spend on adult social care by 2019/20. The Government has said that it recognises that authorities have varying capacity to raise council tax. The funding has been allocated to meet the pressures for Adults, Health & Wellbeing including investment in the care ladder and growth in the number of clients from projected changes in the population.
- b. Improved Better Care Fund (iBCF) 2017 settlement – The additional iBCF funding was allocated through a separate grant to local government, using a methodology which provides greater funding to those authorities which benefit less from the additional council tax flexibility for social care. This additional funding commenced in 2017/18, and must only be used for the following: -
  - Meeting adult social care need;
  - Reducing pressure on NHS, including supporting more people to be discharged from hospital when ready; and
  - Ensuring the local social care provider market is supported.

A specific Section 75 pooled budget will be completed once final funding allocations have been confirmed. The iBCF (2015 settlement and 2017 settlement) estimated spend plan for 2019/20 is detailed below: -

<b>Meeting Adult Social Care Need:</b>	<b>£m</b>
Increased Demands	6.945
Money Management	0.079
<b>Reducing pressure on NHS:</b>	
BCF Projects - Transformation Programme	3.175
<b>Ensuring local supplier market is supported:</b>	
Contract Increases	4.122
<b>Grand Total</b>	<b>14.321</b>

- c. New Homes Bonus (NHB) is a grant that was paid for 6 years by Government based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. NHB is funded by reducing the baseline funding available for Councils and as a consequence the Council is worse off because the amount deducted is significantly more than the grant received.
- i. In December 2015 the Government issued a Consultation Paper 'New Homes Bonus: Sharpening the Incentive' with the purpose of cutting the amount of grant it has to pay out as NHB. The Government response to the consultation was contained in the Provisional Settlement announcement on 15th December 2016. It reduced the number of years for which NHB is paid from the existing 6 years to 5 for 2017/18 and 4 for 2018/19 onwards and introduced a national baseline for housing growth of 0.4% which has to be exceeded before any NHB becomes available.
- ii. The NHB for the Council is £4.469m for 2019/20, which is £0.010m more compared to 2018/19.
- iii. The net grant loss is significant at £28.649m. The position is reasonably comparable with other Metropolitan Districts who also fare badly from the redistribution of grant funding, due to the relatively high levels of grant funding received and high levels of deprivation. The DCLG led evaluation of the NHB published in December 2014 concluded that the most negative impacts of the NHB were seen in authorities in the north of England and Yorkshire and the Humber. The NHB is therefore being utilised to assist with the loss in grant. Housing growth is being progressed utilising alternative funding streams. The updated grant figures are set out in the table below: -

Year	Housing Growth £m	Reimbursement Grant £m	Total Grant Receipt £m	Grant Reduction £m	Net Grant Loss £m
2011/12	0.403	0.000	0.403	1.412	1.009
2012/13	0.928	0.000	0.928	3.054	2.126
2013/14	1.314	0.565	1.879	5.312	3.433
2014/15	2.430	0.228	2.658	6.729	4.071
2015/16	3.479	0.224	3.703	8.500	4.798
2016/17	5.051	0.160	5.211	10.518	5.307
2017/18	4.946	0.173	5.119	8.868	3.749
2018/19	4.458	0.000	4.458	6.708	2.250
2019/20	4.468	0.000	4.468	6.375	1.906
<b>Total</b>	<b>27.477</b>	<b>1.350</b>	<b>28.827</b>	<b>57.476</b>	<b>28.649</b>

- d. Dedicated Schools Grant (DSG) funds the schools budget (funding for schools and services that are provided centrally to pupils, early years and high needs budgets). The initial 2019/20 Block allocations including Academies are as follows: -
- Schools Block Allocation £194.5m - this is almost entirely delegated to schools, excluding the growth fund, with budget allocations for 2019/20 due to be sent out to schools in February 2019.

- Central School Services Block £1.6m – now provided as a separate allocation to the schools block to cover services provided centrally to pupils/schools.
  - High Needs Block Allocation £31.9m
  - Early Years Block Allocation £19.1m
- e. PFI Schools - the Council entered into a PFI agreement with Government to rebuild Mexborough and Thomas Wharton Secondary Schools. The rebuilds were completed during 2008/09 and the Government will pay an annual grant of £3.478m for 25 years towards costs incurred, the final payment will be made in 2033/34.

## **PUBLIC HEALTH**

15. The Health and Social Care Act 2012 provided the statutory basis for Local Authorities to assume their new Public Health responsibilities from 2013/14. From this date the majority of Public Health functions transferred to the Council although some specialist elements of Public Health such as children's services 0-5, cancer screening etc. were retained by the NHS. Children's Public Health commissioning responsibilities for 0-5 year olds transferred from NHS England to Local Authorities on 1st October 2015 and this joins up that already done by Local Authorities for children & young people 5-19.
16. The ring fence on public health spending will be maintained in 2019/20 and Government will consult on options to fully fund local authorities' public health spending from their retained business rates receipts, as part of the move towards 75 per cent business rate retention in 2020/21. For 2019/20 the Council will have a reduction in the Public Health Grant of £0.629m.

## **THE COLLECTION FUND**

17. All Council Tax receipts and Business Rates receipts are paid into and separately accounted for in the Collection Fund. Any surplus or deficit must be shared amongst the preceptors and utilised in budget setting in the following financial year. For Council Tax the preceptors are the Council, South Yorkshire Police Authority and South Yorkshire Fire & Rescue Authority. For Business Rates the preceptors are the Council, Central Government and South Yorkshire Fire & Rescue Authority.

### **Council Tax**

18. A breakdown of the 2019/20 Council Tax income and assumptions are provided below: -

Council Tax (Band D)	£1,351.43
Band D Equivalent Properties	82,776
<b>Council Tax Income</b>	<b>£111.866m</b>
Collection Fund (Council Tax) Surplus	£2.855m
<b>Total Council Tax Income</b>	<b>£114.721m</b>

19. The assumed collection rate for Council Tax in 2019/20 is 98.6% (increased from 98% in 2018/19). Although the short term collection rate, i.e. the amount of debt collected in the year it relates to, is around 95%, the long term collection rate, i.e. the amount of debt collected in the year it relates to and subsequent years, is around 99%.
20. All changes to Council Tax, including setting the collection rate, are policy decisions but are detailed in the MTFP rather than in the budget savings at Appendix C.

## Business Rates

21. The MTFF assumes an increase of 2% per annum in the multiplier which is built into the Retained Business Rates and Top Up lines. The multiplier is based on the Consumer Price Index (CPI) for September.
22. The net Retained Business Rates income is reduced for losses on collection and losses due to appeals of approximately 1.5% and 2% respectively.
23. Any changes announced by the Chancellor that affect Retained Business Rates are accompanied by a section 31 grant to compensate Councils for any loss of income – these are shown in the Specific Grants section.
24. All other changes to Retained Business Rates, including setting the loss on collection, loss on appeals and growth, are policy decisions but are detailed in the MTFF rather than in the budget savings at Appendix C.
25. The overall reduction in Retained Business Rates income of £1.9m is largely due to central government initiatives such as the Retail Relief and Small Business Rate Relief schemes. These are fully compensated by Section 31 grants from central government as shown in paragraph 12.

## OTHER INCOME

26. Other income includes Continuing Health Care Contributions and Section 256 and Section 75 Agreements with the NHS (CCG), income from Other Local Authorities as well as income from charges made to Schools (including Academies), Housing Revenue Account, St Leger Homes and Children's Services Trust.
27. A significant Section 75 agreement is the Better Care Fund (BCF); this is where the Council has entered into a pooled budget arrangement with Doncaster Clinical Commissioning Group (CCG) for the provision of integrated health and social care services for people in the Doncaster area. The Council and the CCG have an annual agreement in place for funding these services, with partners contributing funds to the agreed budget in line with funding allocations, taking responsibility for its own deficit or surplus. The 2019/20 estimated spending plan for the BCF is detailed below: -

	£m
Falls Development Programme	0.050
Community capacity and well- being support / social prescribing	0.260
Well North Project	0.178
Community mobile day service / borough wide	0.125
Dementia mobile day services	0.045
Winter Warm	0.085
Enhancement of Dementia support services (Alzheimer's dementia cafés )	0.077
The Admiral service (making space)	0.088
Hospital based Social Workers	0.220
Home from Hospital	0.072
Telecare Strategy	0.150
HEART	0.571
Dementia Advisor	0.032
STEPS / OT service	1.567
RAPT	0.122
(Positive Steps) Social care Assessment Unit	1.797
Hospital Discharge Worker	0.028
SPOC/One Point 1	0.094

	<b>£m</b>
Intermediate Care & Service Support	0.336
Mental Health Support	0.245
PMO (Programme Management Office and Development)	0.192
Adults Health and Wellbeing – Creative Options for Learning Disability service users	0.686
CLS Community lead support	0.520
<b>Grand Total</b>	<b>7.541</b>

28. The following table sets out the Other Income for 2018/19. This is the 2019/20 baseline starting position: -

<b>Other Income</b>	<b>2019/20 £m</b>
External Recharge Income – includes charges to Schools including Academies (including for the Schools PFI), to the Capital Programme, to the Housing Revenue Account, to St Leger Homes and to the Children’s Services Trust	30.599
NHS Contributions – includes income from Continuing Health Care Contributions and Section 256 and Section 75 Agreements with NHS (Better Care Fund & Pooled Budgets)	13.028
Trading Services Income – includes fleet transport and public buildings maintenance, Street Scene and Highways operations and Commercial services.	13.878
Contributions from Other Public Bodies – includes contributions from Rotherham MBC in respect of Waste PFI credits and the Coroners Service, contributions from the Home Office for Prison Libraries, from the Police & Crime Commissioner for Community Safety and recoupment from Other Local Authorities where their children are placed in Doncaster Council maintained schools	1.634
Contributions Towards Expenditure – includes service charges and various cost recovery charges including recovery of Court costs by Local Taxation Services	3.122
Investment Interest	2.278
Developer Contributions – S106 & S38 agreements	0.142
Other Contributions – includes external income from alarm monitoring for housing associations and from energy companies in relation to feed in tariffs for solar panels	0.703
<b>Other Income</b>	<b>65.384</b>

## **HOUSING BENEFIT**

29. The 2018/19 estimated cost of £70.015m for Housing Benefit is based on an assumed 10,250 caseload for tenants in public sector accommodation and on an assumed 7,500 caseload for tenants in the private sector. The 2019/20 estimated cost of £60.250m is based on an assumed 9,000 caseload for tenants in public sector accommodation and on an assumed 5,750 in the private sector. The reduction in numbers is due to the working age customers migrating to Universal Credit, which was rolled out in Doncaster from October 2017.



## STAFFING

### Pay

30. Funding has been set aside in accordance with the recent local government circular on a national pay award. The assumptions also include increments being paid every other year; the next increments are due in April 2019 for all staff except DCST staff who will continue to receive increments annually.

### Pension

31. The assumptions on the pension contributions detailed below include the future service rate increasing to 14.9% for the period 2017/18 to 2019/20. The council has planned to phase in this increase over 3 years: 14.0% in 2017/18, 15.2% in 2018/19 and 15.5% in 2019/20 (an average of 14.9% per annum).
32. The actuarial valuation used for the period 2017/18 – 2019/20 showed the Council's Pension Fund deficit as £160m. The Pension deficit payment is based on the key membership analysis and recovering the £160m deficit over the next 18 years from 2018/19. The deficit figures include allowance for short term pay growth of 1.25% per annum for 4 years up to 2019/20.
33. The latest information from the actuary now shows that the Council's Pension Fund is no longer in deficit and has moved into surplus. Work was undertaken to safeguard the surplus until the next valuation period; therefore the MTFF assumes that the pension deficit budget can be reduced from 2020/21.

A summary of the pay inflation provided in the MTFF is detailed below: -

<b>Staffing</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Pay Inflation – based on the current national Pay Offer for 2019/20 and estimated for 2020/21	2.116	2.215	1.963
Increments	0.220	1.480	0.255
<b>Employers pension Contribution</b>			
Future Service Rate Contribution Rate (to 15.5% in 2019/20)	0.780	0.172	0.000
Employers Pension deficit saving phased	0.230	0.240	0.300
Reduce Pension deficit budget for estimated position with protection			-5.220
Future Service Rate Contribution Rate (1% increase from 2020/21)			0.630
Auto Enrolment (from 01.10.17)	0.200		
<b>Total</b>	<b>3.546</b>	<b>4.107</b>	<b>-2.072</b>

### Price Inflation

34. A proportion of Council expenditure is tied up in contracts, which have inflation increase assumptions built into the terms and conditions, e.g. Adult Social Care, Doncaster Children's Services Trust, Highways and Waste Contracts. The financial strategy assumes that these cost increases will need to be built into future projections in full. There are also a small number of areas of general expenditure on services and goods, where a general inflation factor has been estimated, based upon what is known of the market pressures and various indicators of inflation such as RPI projections, for example repairs and maintenance of buildings.

35. Dependent on the contract, inflationary increases are generally based on either the Consumer Price Index (CPI), Retail Price Index (RPI) or Retail Price Index excluding mortgage interest payments (RPIX). The table below shows an annual comparison of the different indices and various months that are commonly used in contracts: -

Month	CPI	RPI	RPIX
July 2018			3.3%
<i>July 2017</i>			3.9%
September 2018	2.4%	3.3%	3.3%
<i>September 2017</i>	3.0%	3.9%	4.1%
December 2018		2.7%	
<i>December 2017</i>		4.1%	
March 2019 estimate			3.3%
<i>March 2018</i>			3.4%

36. The cost of price inflation for 2018/19 was £5.5m, including £3.0m for Adult Social Care contracts. The various inflation indicators shown in the table above have nearly doubled since last year. It is assumed that £3.0m will be needed in 2019/20 for Adult Social Care contracts and a further £2.6m needed for other inflation. A summary of the inflation to be provided in 2019/20 is provided below. No inflation is applied for expenditure areas not mentioned below: -

Category	£m
Adults Contracts (Various %)	3.000
<b>Other Inflation</b>	
Apprenticeship Levy (2%)	0.009
Building Repairs & Maintenance (Various %)	0.042
Business Rates (2.4%)	0.050
Coroners (2%)	0.005
CYPS Placements (Various %)	0.043
Elections (19.02%)	0.018
Electricity (11%)	0.113
Electricity (Street Lighting) (15%)	0.206
FM Catering Provisions (5%)	0.008
Gas (4.5%)	0.015
Grounds Maintenance (2%)	0.015
Highways Contracts (2.62%)	0.130
ICT Contracts (0.41%)	0.007
Insurance (Various %)	0.071
Landfill Tax (3.2%)	0.001
Lift Contracts (3.3%)	0.029
Members Allowances (2%)	0.020
Other Energy Costs (Various %)	0.002
Pension / Retirement Costs (2.4%)	0.126
Racecourse Joint Venture (3.3%)	-0.005
Rents (3.3%)	0.002
Rotherham Payroll Contract (3.3%)	0.048
Schools Catering Provisions (5%)	0.159
SLHD Management Fee (4.1%)	0.041
Transport (Various %)	0.198
Waste Collection Contracts (3.3%)	0.179
Waste Disposal Contracts (3.3%)	0.310
Waste Management Contracts (3.3%)	0.084

<b>Category</b>	<b>£m</b>
Water (2.7%)	0.006
DCST Inflation	0.526
Insurance Premium Tax	0.010
MRP Inflation	0.114
Transport	0.060
<b>Subtotal Other Inflation</b>	<b>2.642</b>
<b>Total Price Inflation</b>	<b>5.642</b>

## **BUDGET PRESSURES**

37. The service pressures are estimated at £21.6m for 2019/20 and £3.5m for 2020/21; these are detailed at Appendix B. All service pressures are robustly challenged to ensure that they are absolutely necessary for on-going delivery of Council services. The MTFF also provides £0.1m for levy increases.

**Council Tax Comparators**  
**(Metropolitan Districts & Unitary Authorities Band D Council Tax)**

	<b>2018/19 Band D Council Tax £</b>		<b>2018/19 Band D Council Tax £</b>		<b>2018/19 Band D Council Tax £</b>
1 Windsor & Maidenhead	1,008.16	32 Warrington	1,394.59	63 Bury	1,506.64
2 Trafford	1,242.64	33 Poole	1,399.68	64 Leicester	1,506.98
3 Telford & Wrekin	1,261.20	34 St Helens	1,404.07	65 South Tyneside	1,507.58
4 Bracknell Forest	1,265.94	35 Cheshire East	1,404.28	66 Blackpool	1,511.14
5 Stoke-on-Trent	1,267.72	36 East Riding of Yorkshire	1,406.45	67 Sheffield	1,513.92
6 Dudley	1,271.53	37 Tameside	1,412.94	68 Durham	1,515.05
<b>7 Doncaster</b>	<b>1,287.20</b>	38 Wiltshire	1,414.57	69 Salford	1,516.80
8 Thurrock	1,287.81	39 Barnsley	1,419.73	70 Redcar & Cleveland	1,516.86
9 York	1,288.38	40 Nth Lincolnshire	1,429.46	71 Rochdale	1,521.43
10 Wigan	1,290.03	41 Wokingham	1,433.89	72 North Tyneside	1,522.53
11 Peterborough	1,305.34	42 Luton	1,435.30	73 Sefton	1,524.71
12 Swindon	1,313.73	43 Bournemouth	1,438.92	74 Wolverhampton	1,540.21
13 Birmingham	1,315.22	44 South Gloucestershire	1,441.07	75 Stockton-on-Tees	1,543.88
14 Solihull	1,319.77	45 Knowsley	1,441.95	76 Brighton & Hove	1,549.37
15 Southend-on-Sea	1,322.82	46 Herefordshire	1,443.95	77 Isle of Wight Council	1,552.67
16 Manchester	1,324.54	47 Calderdale	1,445.74	78 Oldham	1,562.04
17 Wakefield	1,331.31	48 Cheshire West and Chester	1,447.83	79 Middlesbrough	1,566.40
18 Kingston-upon-Hull	1,331.45	49 Bolton	1,453.75	80 Coventry	1,574.23
19 Slough	1,331.89	50 Torbay	1,459.40	81 Reading	1,579.99
20 Bradford	1,333.21	51 West Berkshire	1,461.51	82 Newcastle-upon-Tyne	1,580.94
21 Shropshire	1,334.96	52 Darlington	1,461.93	83 Stockport	1,597.71
22 Portsmouth	1,336.61	53 Kirklees	1,465.74	84 Liverpool	1,602.16
23 Leeds	1,339.89	54 Blackburn with Darwen	1,466.00	85 Hartlepool	1,622.02
24 Milton Keynes	1,341.55	55 Cornwall	1,468.50	86 Rutland	1,624.14
25 North Somerset	1,341.61	56 Plymouth	1,470.38	87 Bristol	1,625.94
26 Sandwell	1,347.71	57 Bedford	1,470.88	88 Northumberland	1,633.66
27 Bath & North East Somerset	1,347.89	58 Rotherham	1,478.01	89 Walsall	1,648.71
28 Sunderland	1,359.43	59 Wirral	1,479.19	90 Gateshead	1,686.63
29 Medway	1,374.28	60 NE Lincolnshire	1,485.73	91 Nottingham	1,688.45
30 Derby	1,375.93	61 Cen Bedfordshire	1,485.78		
31 Halton	1,377.88	62 Southampton	1,490.94		

## Grants to 3rd Sector Organisations

Directorate	Grant Recipient	Service Provided/Update	2017/18 Budget	2018/19 Budget	2019/20 Budget	Note
A,H&WB	<b>Citizens Advice Bureau</b> (Mexborough/ North East)	The two CAB's provide advice services facing a range of issues such as debt, homelessness prevention, immigration, employment, benefit and consumer issues. They also act as a referral and sign-posting organisation to more specialist advice across a range of public sector services and other voluntary organisations. They also raise other funding streams to benefit the residents of Doncaster. (Savings of £130k have been made in 2010/11 and a further £32k in 2015/16. There is a £40,380 recharge to the HRA for Corporate & Democratic Core services)	152,150	152,150	152,150	No change proposed for 2019/20. However, in year, a briefing paper will be developed in consultation with the incumbent provider setting out proposals for future service delivery including how the service will be commissioned and tendered going forward. This is in line with the policy to more clearly commission and contract service activity, which provides greater certainty and continuity of provision of service for both the service provider (voluntary sector) and service users.
LO-CYP	<b>Doncaster Community Arts (DARTS ) Teacher in Role Project</b> (funded from the DSG)	Through targeted support for Y3/4 pupils by using creative drama based approaches to improve writing skills. Working in role will provide exciting and purposeful contexts for children to develop key skills in reading & writing. This project aligns very closely with Doncaster LA's Raising Achievement and Aspirations Strategy which has the development of wider literacy skills as a key priority.	45,176	22,588	0	This grant has now ended.
LO-CYP	<b>Partners in Learning</b> (funded from the DSG)	The transfer of services to Partners in Learning for the academic year 2016/17, set out in the 19th July 2016 Cabinet report "Deployment of School Improvement Functions to Partners in Learning Teaching School Alliance 2016/17", enabled the continued delivery of a cohesive and robust delivery of school improvement in line with DfE's requirement for cessation of the LA's duty by September 2017.	301,581	236,244	96,162	The Standards and Effectiveness Partner (StEP) function was transferred, along with funding for the 2016/17, 2017-18 and 2018-19 academic years. Grant funding of £283,568 (£187k in 2018/19, £96k in 2019/20) relates to the 2018/19 academic year and is a 1 year continuation, needed to ensure the effective transfer of the function, with the grant amount based on the number of maintained schools as at 1st September 2018. Funding has been provided through School Forum (Dedicated Schools Grant) agreement on 11th April 2018. Payments are made in termly installments with 2 payments for the 18-19 academic year in 2018-19 and 1 payment in 2019-20 financial year. No further requests are expected to go to School Forum
LO-CYP	<b>Partners in Learning</b> (funded from the DSG)	Partners in Learning is an inclusive teaching school alliance working with schools from all phases. Their vision is to create a sustainable, inclusive and productive partnership utilising the expertise from across the alliance which will lead to the improvement of teaching and learning and improved outcomes for pupils across all schools within the Teaching School Alliance.	124,000	124,000	0	This grant is expected to be fully traded with schools for the 2019-20 academic year.
LO-CYP	<b>Expect Youth (previously known as Strategic Youth Alliance)</b>	Expect Youth is a new, non-profit venture, consisting of a range of partners actively engaged in the youth agenda to act as a capacity building and innovation body for people and organisations who create positive activities and personal development opportunities for young people in Doncaster. The funding will be used to support local youth provision through capacity building, the provision of seed funding and the development of a diverse program for young people ranging from social engagement to social enterprise.	150,000	75,000	0	Grant funding of £475k to be paid over 3 years was agreed in the 18th October 2016 Cabinet report "Strategic Youth Alliance". The final Grant payment of £75k was paid in 2018/19. From 2019/20 onwards EXPECT Youth are self sustainable following successful bids for external Grant funding.
A,H&WB	<b>Doncaster Community Arts (DARTS)</b>	Through active participation in a huge range of different art forms, Darts enables people of all ages and abilities from different backgrounds to build their confidence and skills to play a crucial role in the cultural, economic and social regeneration of their communities.	43,500	43,500	43,500	No change proposed for 2019/20. It is important to be maintained for now as it can be used to demonstrate match against new funding opportunities through the culture 2020 development work.

Grants to 3rd Sector Organisations

Directorate	Grant Recipient	Service Provided/Update	2017/18 Budget	2018/19 Budget	2019/20 Budget	Note
A,H&WB	<b>Doncaster Victim Support</b>	Doncaster Victim Support will provide victims or witnesses of crime with support and information to deal with the harmful effects of their experiences within 48 hours of receiving a referral. The grant pays for a contribution to rent of the premises, utilities, postage, stationery, cleaning, volunteer expenses and recruitment, staff recruitment and locum cover. Trained volunteers work as restorative justice workers under the supervision of the Restorative Justice co-ordinator to deal with low level crime and neighbour disputes.	18,000	18,000	0	This grant will cease in 2019/20. Alternative accomodation has been offered to assist Victim Support to continue without this grant. Saving will contribute towards the 19/20 Community Safety Savings target.
A,H&WB	<b>Doncaster Rape and Sexual abuse Counselling Centre (DRASAC)</b>	DRASAC receive this grant as a contribution towards their provision of specialist counselling service for victims of sexual abuse. This includes children from the age of 5 yrs. This is a historic voluntary sector grant which has been reduced over recent years– services for sexual abuse have never been commissioned by Doncaster Council.	27,520	27,520	27,520	This grant will continue in 2019/20.
A,H&WB	<b>Doncaster Rape and Sexual abuse Counselling Centre (DRASAC)</b>	DRASAC receive this grant as a contribution towards their two Independent Sexual Violence Advocates. (ISVA).	65,000	45,000	45,000	This grant will continue in 2019/20.
A,H&WB	<b>Borough Wide Day Centres Age UK</b>	Commissioning of a mobile day care service that delivers a wide range of day care opportunities to the people of Doncaster. Funded from Better Care Fund (BCF).	125,000	125,000	125,000	No change proposed for 2019/20.
LO-CYP	<b>Doncaster Skills Academy (Doncaster Chamber)</b>	The grant will provide the match funding for the Edge Foundation Grant, which will support continued growth of 'bridging the gap' activities for years 10-13 in every Secondary school (targeting 18,000 learners). The investment will facilitate engagement with businesses, support the development of resources and toolkits and promote the new opportunities that are being created for young people in Doncaster. The grant will only be provided if the Edge Foundation Grant is successful and a funding agreement would be put in place with clear monitoring on outcomes; if the application is unsuccessful DMBC will explore – with partners – other opportunities for enhancing 'bridging the gaps' activities.	75,000	75,000	0	No grant is expected for 2019-20
<b>Total Grants to 3rd Sector</b>			<b>1,126,927</b>	<b>944,002</b>	<b>489,332</b>	

## Fees &amp; Charges Summary 2019/20

Directorate	Service	Narration	2018/19 Budget £	2019/20 Proposed Average Change %	2019/20 Proposed Budget Change £
Adults, Health & Wellbeing	Allotments	Charges increased by 3%	37,390	3.0%	1,120
Adults, Health & Wellbeing	Libraries	Fees held at 2018/19 levels in most cases as activity would decrease if fees increased, therefore reducing income generated. Fees have been increased/rounded up where possible but in many cases remain the same as an increase of a few pence causes cash handling problems. Increases greater than 3% largely result from the rounding to the next appropriate denomination where that level of fee is considered to be sustainable. The microfilm charges have not been increased, as the cost of changes to equipment would be prohibitive. The planning charge is in conjunction with planning department and has not changed. The image usage charges are considered to be high so have not been changed. The Diocesan and GRO certificates are stipulated by the Church of England authorities and the General Register Office (London) so they can't be changed.	42,510	0.9%	850
Adults, Health & Wellbeing	Museums	There have been some changes in line with the general 3% guidance; however, given some large increases last year in the weddings income streams these have been left unchanged. Changes to the not for profit room hire have been left as is.	74,170	1.8%	1,300
Adults, Health & Wellbeing	Safer Communities	This covers alley gate keys. No increase as costs assumed not to increase.	0	0.0%	0
Adults, Health & Wellbeing	Translation Services	Hourly rate remains the same to remain commercially viable.	104,290	0.0%	0
Regeneration & Environment	Bereavement - Burial	Charges have generally been increase by 3% and rounded but in some cases further changes have been made to bring charges in line with costs or to increase sales, which leads to the overall reduction in the Proposed Average Change percentage. The charges for surrounding Local Authorities have been reviewed and Doncaster's charges are now more in line with them. Child related services are free of charge.	739,950	-0.1%	17,590
Regeneration & Environment	Bereavement - Cremation	Charges have generally been increase by 3% and rounded but in some cases further changes have been made to bring charges in line with costs or to increase sales. The charges for surrounding Local Authorities have been reviewed and Doncaster's charges are now more in line with them. Child related services are free of charge.	2,169,670	3.6%	68,900
Regeneration & Environment	Bereavement - Memorial Items	Charges have generally been increase by 3% and rounded but in some cases further changes have been made to bring charges in line with costs, which leads to the lower overall Proposed Average Change percentage. The charges for surrounding Local Authorities have been reviewed and Doncaster's charges are now more in line with them.	100,900	1.7%	6,070
Regeneration & Environment	Bereavement - Mausoleums	The service have been struggling to make any sales in this area and have such have decided to publish as 'Price on application' in an attempt to tailor the service and attract interest.	770	0.0%	0

## Appendix G

Directorate	Service	Narration	2018/19 Budget £	2019/20 Proposed Average Change %	2019/20 Proposed Budget Change £
Regeneration & Environment	Building Control	The Trading element of Building Control fees represents 92% of the fee income budget. Increases in charges are being made to maintain parity with other South Yorkshire Local Authority Building Control teams and competitors in the private sector and average out at 10%. Charges at Doncaster have remained static since 2013 as customer choice was at that time very much based on cost, however the Building Control Ethos of quality has prevailed and given opportunity to raise these as previously mentioned. The increases address shortfalls against current income budgets rather than contributing to the fees and charges target. The non-trading element of Building Control fees represents only 8% of the fee income budget. These have been increased by 3% and then rounded to the nearest £1.	537,930	5.5%	800
Regeneration & Environment	Built & Natural Environment	Most fees increased by 3% and rounded up to the nearest £5.	7,870	3.3%	280
Regeneration & Environment	Car Parking - Permits	No increase proposed so as not to deter usage.	9,140	0.0%	0
Regeneration & Environment	Car Parking - Residents Permits	No increase applied to resident parking permits in 2019/20 following a 4% increase in 2018/19.	108,360	0.0%	0
Regeneration & Environment	Car Parking - Staff & Partners Parking	Fees have generally increased by 3% and rounded to denominations of whole pounds or fifty pence.	248,000	4.8%	0
Regeneration & Environment	Car Parking - Off Street Charges	Increase to charges at Colonnades, Wood Street and Thorne Road Car Parks to bring in line with other local parking. Significant reduction to charges at Council House and Scarborough House (Saturdays only) to increase usage of these car parks. Other fees to remain the same so as not to deter usage.	1,310,940	-0.2%	11,880
Regeneration & Environment	Car Parking - On Street Charges	Proposed not to apply increase as this would mean more coins used; machines would have to be emptied more often and would not be cost effective.	208,530	0.0%	0
Regeneration & Environment	Car Parking - Civic Quarter Multi-Storey	Increases already agreed as part of decisions in taking ownership of the Civic Quarter Multi Storey Car Park.	467,510	6.8%	0
Adults, Health & Wellbeing	Cusworth Hall Car Park	No change proposed as it continues to be a concern that any increase would discourage visitors and lead to an increase of parking in the village and surrounding roads. No activity data as the parking machines do not collect this data at the moment.	60,000	0.0%	0
Regeneration & Environment	Civic Catering	Catering charges to staff/public mainly at the Vibe, Café Culture, Mary Woollett Centre and the Mansion House. Fees have increased by 3% and rounded to the nearest 5p or 50p as appropriate.	271,810	3.0%	9,010
Regeneration & Environment	Development Management	Pre Application fees have been increased by 3% and rounded to the nearest 50p or £1 as appropriate. Statutory Fees are set by Central Government with a national increase of 20% implemented from January 2018. There is no change in the fee between 2018/19 and 2019/20.	1,572,690	1.5%	1,500



## Appendix G

Directorate	Service	Narration	2018/19 Budget £	2019/20 Proposed Average Change %	2019/20 Proposed Budget Change £
Regeneration & Environment	Environment Public Health	To reflect cost recovery, fees have either been increased by 3% and rounded upward to the nearest 10p or remain the same.	13,660	1.3%	1,040
Regeneration & Environment	FLAG - leaflets	Fees increased by 3% rounded upwards.	26,100	5.2%	4,660
Regeneration & Environment	FLAG - Litter fixed penalty notices	Statutory Fees set by Central Government. DMBC are charging the upper limit for all FPN's (except Fly Postering) but we offer a discount if paid within 28 days to encourage payment rather than the more costly method of going through court to recover the charge. Fly postering remains at £80 due to objection from local businesses.	449,820	0.0%	0
Regeneration & Environment	Food Safety & Education	Charges have been increased by 3% and rounded to the nearest £1. Level 2 Emergency First Aid at Work reduced to £58 to become competitive with external companies.	37,550	1.4%	0
Regeneration & Environment	Food Control	Prices increased by 3% rounded.	16,030	3.0%	340
Regeneration & Environment	Facilities Management - Other Room Hire	Fees increased by 3% and rounded to the nearest £1.	12,000	3.9%	0
Regeneration & Environment	Gypsy & Traveller Rents / Static Caravan Sites	Legislation only allows increase in line with the RPI available at the annual review date, which is 2.7% (Dec RPI).	319,690	2.7%	1,030
Regeneration & Environment	Highways Licences & Permits	Licences are run on a cost recovery basis in accordance with legislation. Streetworks permits are not increasing as to do so would risk income exceeding expenditure.	583,630	1.0%	16,080
Regeneration & Environment	Homelessness	The value of the charge is based on the rental charge for any temporary accommodation property plus a daily service charge. A new daily service charge was approved from December 2018. The overall charges for each property aren't published due to confidentiality.	0	0.0%	0
Regeneration & Environment	Landlord Licences	Selective licence fees are for a fixed 5 year period with the current value not due for change in 2019/20. No increase proposed for HMO's.	2,000	0.0%	0
Regeneration & Environment	Taxi Licencing	Not allowed to generate a surplus, so limited to cost recovery; therefore, only small realignments in selected fees proposed averaging at c. 3%.	347,550	3.1%	9,310
Regeneration & Environment	Miscellaneous Licences	A number of fees are statutory charges where a maximum limit is determined by central government - many are decided jointly with other South Yorkshire authorities and/or are close to the maximum limit. The Council must also not be seen to generate surplus income from its licensing activities nor must it be seen to be using fees to support the enforcement activity against unlicensed individuals/businesses. Where possible selected increases have been made but this limits the budget uplift possible.	351,080	1.1%	1,840
Regeneration & Environment	Mansion House	Fees have been restructured. Significant increases reflect the need to recover out of hours costs.	6,320	3.3%	5,250

## Appendix G

Directorate	Service	Narration	2018/19 Budget £	2019/20 Proposed Average Change %	2019/20 Proposed Budget Change £
Regeneration & Environment	Markets	No increase to Doncaster Markets charges are proposed for 2019/20 due to the continuation of falling numbers of traders. 3% increase at Rossington Market and Mexborough Outer Market. Car Boot fee cannot be increased at the Keepmoat until 2021/22 as per the lease agreement.	1,162,500	1.6%	540
Regeneration & Environment	Mary Woollett Centre	Fees have been restructured. Savings proposals include charging the Children's' Trust for Rooms.	4,370	3.0%	0
Regeneration & Environment	Parks & Playing Fields	Most services have been increased by 3.0% and rounded but for some mall fees it is impractical to increase the price and would not result in any appreciable increase in income. The hire charges for senior pitches are all subsidised and junior provision for free pitches is a mayoral commitment from previous years.	25,190	3.2%	770
Regeneration & Environment	Pest Control	Fees generally increased by 3% and rounded. Larger increases for Bedbugs reflect higher costs of the service. Bedbugs do not constitute a public health concern, as they do not carry any blood-borne diseases between hosts; however, they are very unpleasant and due to their persistence lead to a high staff cost due to two members of staff required. A comparison with other Local authorities has shown some do not treat bedbugs as it is not viable for them, others charge at the market rates, taking into account treatment times; a benchmarking exercise across the region has ascertained Doncaster is well positioned to justify higher % increase in these fees.	79,340	4.4%	3,520
Regeneration & Environment	Pollution Prevention & Control	Statutory fees, charges based on rates confirmed by DEFRA August 2017. Revised figures expected to be announced March 2019.	42,580	0.0%	0
Regeneration & Environment	Health & Safety Courses	The service is currently being restructured under a new delivery model following closure of Bentley Training Centre, with courses now being offered by the Health & Safety Team. Due to the changes in delivery model it is not felt that an increase in fee is sustainable until continued take up is assured.	60,990	0.0%	0
Regeneration & Environment	Town Centre Management	Most fees have been increased by 3% and rounded to the nearest 50p. Pavement café licences remain the same to promote take up.	25,300	3.0%	760
Regeneration & Environment	Trading Standards	Fees generally increased by 3% and rounded. The increases address shortfalls against current income budgets rather than contributing to the fees and charges target.	54,050	1.8%	0
Regeneration & Environment	Transport Services Fees	Driving Assessments for Taxis and Private Hire Vehicles are not proposed to be increased to remain competitive, this only represents £4.8k of the budget. MOT Fees, no increase proposed. MOT service offered locally by numerous providers at a lower price and need to remain competitive. Increases greater than 3% have been made for Staff Vehicle Hire, to bring closer to market rates and Private Vehicle Repair, to ensure costs are recovered.	54,800	2.9%	0
Regeneration & Environment	Waste & Recycling	Fees have been increased in line with the 3.7% applied to the waste collection contract with SUEZ. Charges for Bulky collections have been increased to reduce the subsidised cost to DMBC. Increase for additional bins have been increased from £32 to £40 to factor in the expected additional disposal costs likely to arise by giving customers the additional capacity.	2,412,900	4.2%	108,410

**Appendix G**

<b>Directorate</b>	<b>Service</b>	<b>Narration</b>	<b>2018/19 Budget £</b>	<b>2019/20 Proposed Average Change %</b>	<b>2019/20 Proposed Budget Change £</b>
Corporate Resources	Blue Badge Scheme	Statutory fee set by Central Government. The 2018/19 charge is not expected to change for 2019/20	46,130	0.0%	2,020
Corporate Resources	Land Charges	Government guidance requires the fee to be calculated to ensure no profit is achieved. Increase in estimated activity covers any increase in cost for 2019/20, so no change proposed to the fee value.	140,000	0.0%	2,180
Corporate Resources	Registrars	Existing Statutory fees remain the same for 2019/20. The majority of non-statutory fees have increased by 3%, subject to some rounding to the nearest £5. The exceptions are higher rises for Individual Citizenship Ceremonies and Change in Name deeds to bring them in line with local solicitors charges. Some new fees have been introduced and other fees have been restructured in line with recently received guidance.	524,130	1.6%	12,250
Learning & Opportunities (CYPS)	Attendance	The Fixed Penalty Notices are statutory fees set by Central Government. Chaperone license including Disclosure and Barring (DBS) check for volunteers whilst working with children involved in performing increased to £28 per application.	170,000	1.9%	200
			<b>15,040,140</b>		<b>289,500</b>

Directorate	Service	Narration	2018/19 Budget £	2019/20 Proposed Average Change %	2019/20 Proposed Budget Change £
<b>Not included in the fees and charges additional income, as already included in budget proposals</b>					
Adults, Health & Wellbeing	Social Care	<p>The charges for day care, home care, supported living and residential care are based on the actual cost of care which is used to calculate how much individuals receiving packages of support will pay. The client contributions are charged in accordance with the Council's 'Charging and Financial Assessment for Adult Care and Support' policy. The policy ensures that people are only required to pay what they can afford towards their care and support, and people are entitled to financial support based on a means-test.</p> <p>Community &amp; Day Centre hourly charges and Supported Living Sleep-in Fees are detailed in the list of exceptions.</p>			
Adults, Health & Wellbeing	In-house Supported Living				
Adults, Health & Wellbeing	Residential Services				
Adults, Health & Wellbeing	Self Support/Group Homes Rents				
Adults, Health & Wellbeing	HEART service				
Adults, Health & Wellbeing	Day Care Charges				
Adults, Health & Wellbeing	Home Care Charges				
Adults, Health & Wellbeing	Residential Care Services				
Adults, Health & Wellbeing	Community & Day Centre Room hire				
Adults, Health & Wellbeing	Day Care Transport				

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
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**ADULTS & COMMUNITIES**

**Community & Day Centre Hourly Charges**

Community Group < 25 people		5.00	6.00
Community Group > 25 and < 40 people		10.00	11.50
Voluntary Sector < 25 people		10.00	11.50
Voluntary Sector > 25 and < 40 people		20.00	23.00
Profit Making < 25 people		20.00	23.00
Profit Making > 25 and < 40 people		25.00	28.00

**Supported Living**

Sleep in Fee		35.00	80.44
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**CORPORATE RESOURCES**

**REGISTRARS**

**Civil Naming/Renewal of Vows**

Wednesday (Registry Office)	New Specific Fee for day and place		50.00
Thursday (Priory Place)	New Specific Fee for day and place		150.00
Friday (Priory Place)	New Specific Fee for day and place		250.00
Saturday AM (Priory Place)	New Specific Fee for day and place		250.00
Saturday PM (Priory Place)	New Specific Fee for day and place		350.00
<b>Premium Marriage/ Civil Package - Priory Suite</b>			
Sunday	New		450.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>Other Fees</b>			
Individual Citizenship Ceremonies		133.00	140.00
Change of Name Deed		43.00	50.00
Copy Certificates - Standard	New		10.00
Postage - Standard	New		1.00
<b>Statutory Fees</b>			
Birth, Death or Marriage Certificate	New single fee		11.00
Copy Certificates Priority issue - same day return of post (Priority Next Day)	New Statutory Fee		35.00
Registration correction - where customer is at fault (SR)	New specific fee (previously combined)		75.00
Registration correction - where customer is at fault (GRO)	New specific fee (previously combined)		90.00
Consideration of divorce papers from outside UK (SR)	New specific fee (previously combined)		50.00
Consideration of divorce papers from outside UK (GRO)	New specific fee (previously combined)		75.00
Space 17 amendments (change in child forenames within first year after registration - fee excludes replacement certificates)	New specific fee (previously combined)		40.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b><u>REGENERATION &amp; ENVIRONMENT</u></b>			
<b>BEREAVEMENT SERVICES</b>			
<b>Independent funerals</b>			
<b>Burial:</b>			
Late Charge for turning up to scheduled burial booked (15mins late)		70.00	50.00
Duplicate grave deed		38.00	30.00
On site meeting request			
Outside Cemeteries	New		40.00
Rose Hill	New		20.00
Fee for late Burial or Cremation Paperwork		70.00	75.00
No show charge for appointments made for either burial of remains or scattering appointment		67.00	50.00
<b>Cemetery Permits:-</b>			
Permit for double headstone (to be placed over 2 graves)		436.00	402.50
Permit for triple headstone (to be placed over 3 graves)	New		533.60
Permit for triple kerbset (to be placed over 3 graves)	New		408.50
Permit for replacement headstone		32.00	34.00
Permit for vase (size up to 12" x 12")		32.00	34.00
Permit for additional inscription on a vase		13.00	14.00
<b>Cremation:</b>			
Additional Chapel Time (20 minutes)		265.00	280.00
Over Running on cremation time		64.00	70.00
Bearers for cremation (when available)		37.00	30.00
Scattering remains from elsewhere		90.00	95.00
Use of chapel organ		13.00	15.00
Certificate of cremation		22.00	25.00
Genealogy search (per person)		27.00	30.00
Velvet bags		17.00	18.00
Environmental containers		17.00	18.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>Memorials: -</b>			
Extra lines per entry in books and cards		22.00	23.00
Bronze tablet on path kerb renewal - 10 years	New		180.00
Ornamental tree with bronze or granite tablet renewal - 10 years	New		450.00
Granite vases for path side renewal - 10 years	New		415.00
Childs hand or mushroom memorial renewal - small plaque - 10yrs	New		153.00
Childs hand or mushroom memorial renewal - medium plaque - 10yrs	New		202.00
Childs hand or mushroom memorial renewal - large plaque - 10yrs	New		234.00
Granite plaques on scatter monument or barbican renewal 10 years	New		384.00
Granite plaque on wishing well renewal 10 years	New		200.00
Rose tree - 5 years		229.00	240.00
Rose shrub or miniature shrub - 5 years		133.00	140.00
Rose tree or shrub labels allowing 4 line inscription		37.00	40.00
Metal vases for cemetery/crematorium plots		17.00	10.00
<b>BUILDING CONTROL</b>			
<b>Erection or extension of a non exempt attached or detached domestic garage or carport or having a floor area 36- 100m<sup>2</sup>.</b>			
Amount of Inspection Charge		172.00	200.00
Building Notice or reservation Charge including VAT		322.00	350.00
Amount of Regularisation Charge (No VAT)		322.00	350.00
<b>Conversion of a domestic garage to create a habitable space</b>			
Amount of Inspection Charge		107.00	150.00
Building Notice or reservation Charge including VAT		257.00	300.00
Amount of Regularisation Charge (No VAT)		257.00	300.00
<b>Any extension of a dwelling with an internal floor area of which does not exceed 10m<sup>2</sup>. that extension</b>			
Amount of Inspection Charge		139.00	200.00
Building Notice or reservation Charge including VAT		289.00	350.00
Amount of Regularisation Charge (No VAT)		289.00	350.00



<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>Any extension of a dwelling with an internal floor area between 10m<sup>2</sup> and 40m<sup>2</sup></b>			
Amount of Inspection Charge		273.00	350.00
Building Notice or reservation Charge including VAT		423.00	500.00
Amount of Regularisation Charge (No VAT)		423.00	500.00
<b>Any extension of a dwelling with an internal floor area between 40m<sup>2</sup> and 60m<sup>2</sup>.</b>			
Amount of Inspection Charge		357.00	450.00
Building Notice or reservation Charge including VAT		507.00	600.00
Amount of Regularisation Charge (No VAT)		507.00	600.00
<b>Any extension of a dwelling with an internal floor area between 60m<sup>2</sup> and 100m<sup>2</sup>.</b>			
Amount of Inspection Charge		407.00	520.00
Building Notice or reservation Charge including VAT		557.00	670.00
Amount of Regularisation Charge (No VAT)		557.00	670.00
<b>Installation of up to 5 domestic replacement window/s and door/s</b>			
Building Notice or reservation Charge including VAT		88.00	100.00
Amount of Regularisation Charge (No VAT)		88.00	100.00
<b>Any alteration of a dwelling creating one or more rooms in roof space, including means of access.</b>			
Amount of Inspection Charge		273.00	370.00
Building Notice or reservation Charge including VAT		423.00	520.00
Amount of Regularisation Charge (No VAT)		423.00	520.00
<b>Any other domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work does not exceed £2,000.</b>			
Amount of Plan Charge		154.00	170.00
Building Notice or reservation Charge including VAT		154.00	170.00
Amount of Regularisation Charge (No VAT)		154.00	170.00

Fees & Charges 2019/20 Extract Showing New Fees and Exceptions	Unit / New	Charge from 1st April 2018 £	Charge from 1st April 2019 £
<b>Any other domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work exceeds £2,000 but does not exceed £5,000.</b>			
Amount of Plan Charge		188.00	250.00
Building Notice or reservation Charge including VAT		188.00	250.00
Amount of Regularisation Charge (No VAT)		188.00	250.00
<b>Any other domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work exceeds £5,000 but does not exceed £25,000.</b>			
Amount of Inspection Charge		172.00	210.00
Building Notice or reservation Charge including VAT		322.00	360.00
Amount of Regularisation Charge (No VAT)		322.00	360.00
<b>PLANNING &amp; BUILDING CONTROL FEES (TABLE B)</b>			
<b>Planning &amp; Building Control Fees for Small Domestic Buildings</b>			
Number of Dwellings			
1			
Inspection Charge		441.00	500.00
Amount of Regularisation Charge (No VAT)		591.00	650.00
<b>Installation of up to 20 non domestic window/s and door/s.</b>			
Amount of Inspection Charge		102.00	110.00
<b>Any other non domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work does not exceed £5,000.</b>			
Amount of Plan Charge		205.00	300.00
Building Notice or reservation Charge including VAT		205.00	300.00
Amount of Regularisation Charge (No VAT)		205.00	300.00
<b>Any other non domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work exceeds £5,000 but does not exceed £25,000.</b>			
Amount of Inspection Charge		256.00	350.00
Building Notice or reservation Charge including VAT		406.00	500.00
Amount of Regularisation Charge (No VAT)		406.00	500.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>Completion Certificates</b>			
Completion certificates issued at time of completion/occupation	New		0.00
To resolve case and issue completion certificate where work has been completed or occupied for 6-12mths and subsequent request made for a certificate	New		96.00
To resolve case and issue completion certificate where work has been completed or occupied for more than 12mths and subsequent request made for a certificate	New		180.00
<b>Other Charges</b>			
Application withdraw - any type	New		Individually Determined
Resurrection charge	New		100.00
<b>CAR PARKING</b>			
	<b>Stay</b>		
<b>Car Park:</b>			
Colonnades	Per Hour	1.30	1.50
	All day	5.00	5.50
Wood Street	1 Hour	1.20	1.30
Council House - Saturdays Only	4 Hours	2.00	1.00
	ALL DAY	4.00	2.00
Scarborough House - Saturdays Only	4 Hours	2.00	1.00
	ALL DAY	4.00	2.00
Thorne Rd (DRI)	1 Hour	1.10	1.30
	2 Hours	1.60	2.50
	3 Hours	2.10	3.00
	4 Hours (Max stay)	2.60	3.50
<b>CIVIC QUARTER MULTI STOREY CAR PARK</b>			
Monday - Friday	1 Hour	1.10	1.20
	2 Hours	1.90	2.20
	3 Hours	2.50	2.90
	4 Hours	4.50	4.90
	Over 4 Hours	6.00	6.50
Early bird - In between 6:00 am and 8:30 am		3.00	3.30

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>STAFF &amp; PARTNERS PARKING</b>			
GOLD BAND - Any staff & partners car park including Civic Quarter MSCP Staff & Partners Parking Permit 1 Day	Monthly	7.00	7.50
SILVER BAND - Chappell Drive and Marshgate Staff & Partners Parking Permit 3 Days	Monthly	18.00	19.00
Staff & Partners Parking Permit 2 Days	Monthly	12.00	13.00
Staff & Partners Parking Permit 1 Day	Monthly	6.00	6.50
BRONZE BAND - Marshgate only Staff & Partners Parking Permit 6 Days	Monthly	19.00	20.00
Staff & Partners Parking Permit 5 Days	Monthly	18.00	19.00
Staff & Partners Parking Permit 3 Days	Monthly	11.00	11.50
Staff & Partners Parking Permit 2 Days	Monthly	7.50	8.00
Staff & Partners Parking Permit 1 Day	Monthly	3.50	4.00
<b>ENVIRONMENT</b>			
<b>Storage of seized equipment per day:</b>			
Single item	New		3.00
Large/ multiple items	New		5.00
<b>PLANNING ENFORCEMENT</b>			
<b>Removal of Illegally Displayed Posters/Banners</b>			
Solicitor Requests for outstanding notices and investigations on Properties under the Town and Country Planning Act 1990.	New		41.50
<b>FLAG (Fly Tipping, Litter, Abandoned Vehicles &amp; Graffiti)</b>			
<b>Leaflet Distribution</b>			
0 to 5		208.00	220.00
6 to 9		312.00	330.00
10 to 15		416.00	440.00
16 to 23		520.00	550.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>FOOD SAFETY &amp; EDUCATION</b>			
Level 2 Emergency First Aid at Work		84.00	58.00
<b>HIGHWAYS</b>			
Private Road Openings		435.00	481.50
<b>LICENSING</b>			
<b>Other Licences</b>			
Acupuncturist/Tattooist/Ear Piercing		210.00	220.00
Scrap Metal Dealer - Collector		215.00	225.00
Scrap Metal Dealer - Additional Site(s) to Licence		80.00	85.00
<b>Gambling:</b>			
<b>Betting Premises (other)</b>			
Annual Fee		425.00	450.00
<b>LOCAL RECORDS CENTRE</b>			
<b>Collation and provision of biological records data for private and public sector use .</b>			
Standard Data Search			
Single Species/Group of Species search in 1km buffer		60.00	65.00
Single Species/Group of Species search in 2km buffer		90.00	95.00
<b>MANSHION HOUSE</b>			
Small wedding	New		1,320
Large wedding	New		1,950
Room Hire - per hour (Small room) In hours	New		28.00
Room Hire - per hour (Small room) Out of hours	New		58.00
Room Hire - per hour (Large room) In hours	New		122.00
Room Hire - per hour (Large room) Out of hours	New		155.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>MARY WOOLLETT CENTRE (No VAT)</b>			
Small Room hourly rate Day-time	New		20.00
Small Room hourly rate Out of Hours	New		35.00
Medium Room hourly rate Out of Hours	New		45.00
Large Room hourly rate Out of Hours	New		55.00
<b>PARKS &amp; PLAYING FIELDS</b>			
<b>Bowling Greens</b>			
Per Person (non member use)		3.00	3.20
<b>Sandall Beat</b>			
Wooden table decorations (excluding postage where applicable) - starting price £11.00 - prices vary according to individual decoration.		10.50	11.00
<b>PEST CONTROL</b>			
<b>Dwellings - Mice</b>			
- subsequent visits (after the 4 above)		21.00	22.00
Sundays and Bank Holidays		150.00	160.00
<b>On benefits:</b>			
- subsequent visits (after the 4 above)		16.00	17.00
<b>Dwellings - Insects (excluding bed bugs)</b>			
Sundays and Bank Holidays		150.00	160.00
<b>Dwellings - Bed Bugs</b>			
Per visit		70.00	80.00
<b>On benefits:</b>			
Applies to domestic customers in receipt of Housing Benefit and/or LTSS - per visit		60.00	70.00
<b>Dwellings - Control of Moles, Feral Pigeons, Squirrels &amp; Cockroaches (price per hour; except cockroaches minimum 2 hours to be paid in advance)</b>			
Out of hours and Saturdays		140.00	150.00
Sundays and Bank Holidays		180.00	190.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>Commercial Premises - Control of Moles, Feral Pigeons, Squirrels &amp; Cockroaches, Mice, Insects &amp; Rats (price per hour; except cockroaches minimum 2 hours to be paid in advance)</b>			
Out of hours and Saturdays		140.00	150.00
Sundays and Bank Holidays		180.00	190.00
<b>General Fees:</b>			
Insect Identification (refunded if treatment carried out by DMBC)		30.00	32.00
<b>TRANSPORT SERVICES FEES</b>			
<b>Staff Vehicle Hire</b>			
Weekends & Bank Holidays	Per Day	27.00	30.00
Part day/overnight any other day		17.00	20.00
<b>Private Vehicle Repair - Labour</b>			
Private Vehicle Repair - Labour	Per Hour	48.00	51.00
<b>WASTE AND RECYCLING</b>			
<b>Wheeled Bins Quarterly Charge</b>			
240 L		86.00	90.00
360 L		110.00	115.00
1100 L		250.00	265.00
<b>Wheeled Bins Charities Quarterly Charge</b>			
Sack		37.00	39.00
240 L		37.00	39.00
360 L		40.00	42.00
Recycling Service		84.00	89.00
<b>Commercial Recycling</b>			
Initial Receptacle - 360 L		60.00	63.00
Additional Receptacle - Sack		15.00	16.00
Additional Receptacle - 360 L		35.00	37.00
Additional Receptacle - 660 L		55.00	58.00

<b>Fees &amp; Charges 2019/20 Extract Showing New Fees and Exceptions</b>	<b>Unit / New</b>	<b>Charge from 1st April 2018 £</b>	<b>Charge from 1st April 2019 £</b>
<b>Commercial Special - Recycling</b>			
Under 2m <sup>3</sup>	New		150.00
Between 2m <sup>3</sup> and 4m <sup>3</sup>	New		230.00
Between 4m <sup>3</sup> and 6m <sup>3</sup>	New		300.00
<b>Administration and delivery of Additional/New and Replacement Bins (including New Developments)</b>			
Additional Bins (limited to residents meeting criteria)		32.00	40.00
<b>Additional Green Bins</b>			
Additional Green Bin emptying service annual fee (March – Nov) - 2nd Bin	New		40.00
Additional Green Bin emptying service annual fee (March – Nov) - 3rd Bin	New		30.00



**Reserves (to be reviewed at year-end)**

	<b>Estimated Balance at 31/03/19 £m</b>
School Balances	5.743
Health & Social Care Transformation Fund	5.733
Service Transformation Fund	5.181
Minimum Revenue Provision (MRP) underspend	3.181
Improved Better Care Fund	1.667
New NNDR Incentive Scheme	1.384
Stronger Families Programme	1.296
Essential Life Skills	1.200
Civic Office Major Repairs & Maintenance Sinking Fund	1.140
Social Mobility Opportunity Area	0.910
Various Section 278	0.832
Public Health	0.808
S106 Open Spaces Revenue unapplied contribution	0.714
Critical Technology Project	0.533
Teesland Section 278	0.460
Well Doncaster match funding	0.400
Coppice School	0.311
Revenue Contribution to the Capital Programme (pre-work/development costs)	0.300
ERP - Phase 2	0.212
St James Baths	0.193
Safeguarding Adults Board	0.177
Transport budget Sec 19 permits	0.169
S106 Interest balances	0.162
All Out Local Elections - 4 Year Cycle	0.134
Public Spaces Community Order	0.130
Revenues & Benefits - Discretionary Hardship	0.114
LEP Inward Investment Loan	0.109
Dilapidation Costs on Vacated Buildings	0.100
Tour de Yorkshire	0.100
Examination In Public (LDF Sites & Policies)	0.096
Adult Social Care System Implementation	0.094
Flexible Homelessness Grant	0.081
North Ridge School	0.080
Welcome to Yorkshire Cycle Partnership	0.075
Mayor's Pledge to Miners' Statue	0.063
ICT - Schools Centralised Infrastructure Sinking Fund	0.058
Others (less than £50k)	0.416
	<b>34.356</b>

**Risk Assessment of Uncommitted General Fund Reserve**

<b>Risk</b>	<b>Risks &amp; Quantification</b>	<b>Maximum Potential Call on Reserves 18/19 &amp; 19/20 £m</b>
Known provisions and contingent liabilities as at January 2019	An Insurance Fund provision of £9.4m has been made as per the methodology agreed. A provision of £4.2m for NNDR appeals has been made based on known risks.	Provision identified, unable to quantify potential risk.
Overspend on Service Expenditure	An amount is included for the potential risk of overspends in future years (excluding the risk on deliverability of budget proposals covered below).	Up to 4.0
Major Emergency	The Government has confirmed that the Bellwin Scheme will continue thereby limiting certain costs to be borne by the Council. However in November 2015 they confirmed that the timescales for claiming recovery costs would be much reduced.	Up to 0.5
Robustness of 2019/20 budget proposals	It is prudent to include a risk regarding the deliverability of the 2019/20 proposals to allow for potential slippage on delivery. It is not possible to quantify the risk with certainty. This will need month by month monitoring in 2019/20 and urgent action taken if targets are not being achieved. However, due to the size of the budget reductions and increasing difficulty of achieving the savings £3.5m is included (equivalent to 20% of the 2019/20 budget proposals). The Local Government Finance Act 2012 which introduced the Business Rate Retention scheme and the Localisation of Council Tax Support from 2013/14 has introduced unprecedented volatility into local government funding which adds significant additional risk to the budget proposals. One-off funding has been identified (Service Transformation Fund), which is available to fund slippage on the deliverability of savings and reduces this risk.	Up to 3.5
Redundancy Costs	The staffing reductions assumed in the budget proposals will result in additional early retirements and/or compulsory redundancies. A process to reduce staffing through VER/VR's is taking place from December 2018 until March, 2019. A separate earmarked reserve exists for this.	0.0

<b>Risk</b>	<b>Risks &amp; Quantification</b>	<b>Maximum Potential Call on Reserves 18/19 &amp; 19/20 £m</b>
Capital Programme 2019/20 – 2022/23	There is a risk of grant clawback where projects do not meet their outputs, where they do not proceed, or the Council subsequently breaks the grant conditions. There is also a risk that expenditure will slip beyond the period of the grant so becoming ineligible and require financing from alternative resources.	No major issues at present. Any expenditure likely to slip into 2019/20 to be managed as part of capital monitoring process.
Treasury Management	The Council relies on short term (circa £17m) and under borrowing (circa £36.4m) to minimise interest costs; there is a risk that if we need to replace the under borrowing with long term external borrowing the Council will incur additional expenditure. If the Council had to replace the £36.4m of under borrowing with long term borrowing, this could cost £0.7m per year at current rates over 5 years and could rise to £0.9m per year over 50 year terms. There is also a risk regarding increasing interest rates. This would cost an additional £0.36m for every 1% increase in interest rates.	Up to 0.7
I.T. Strategy.	Current I.T. projects which are underway are funded from earmarked reserves and the Corporate Capital Programme.	Funding would be identified prior to purchasing any new I.T. requirements.
Reserves and contingencies	Reserves leave little room for further in year pressure, e.g. from new initiatives. To minimise the impact estimates as far as possible are included in the financial plan. This needs close monitoring throughout the year.	Up to 2.0
Abortive development and compensation costs	Any development costs on major capital projects which do not go ahead will become abortive and need to be funded from a revenue resource. This may also include potential compensation costs.	None envisaged at present but will be kept under regular review
Business Rates Appeals	There remains a risk that appeals and mandatory reliefs may be greater than estimated. There is also a risk to baseline income if the economy falls into recession.	Appeals and Business Rates income is kept under regular review
<b>Total Maximum Quantified Risks</b>		<b>Up to 10.7</b>
<b>General Reserve Available based on best estimates</b>		<b>11.5</b>
<b>Headroom Available</b>		<b>0.8</b>

## Detailed Budgets

Service	Net Base Position £'000	Pressures £'000	Savings £'000	Other Changes (incl inflation) £'000	Net Budget £'000	Customer & Client Receipts £'000	Government Grants £'000	Other Income £'000	Gross Budget £'000
<b>ADULTS HEALTH &amp; WELLBEING</b>									
ADULT SOCIAL CARE&SAFEGUARDING	59,070	11,915	-4,023	3,817	70,778	25,441	1,660	4,550	102,429
COMMISSIONING & CONTRACTS	6,708	758	-533	-79	6,854	0	1,198	2,803	10,855
COMMUNITIES	12,719	165	-1,041	495	12,338	669	1,727	8,010	22,745
DIRECTOR OF ADULT SERVICES	5,865	0	0	-5,771	95	0	990	88	1,173
DIRECTOR OF IMPROVEMENT	-11,472	5	-570	-3,272	-15,310	0	16,900	144	1,735
PUBLIC HEALTH	-226	0	-879	886	-220	419	18,010	552	18,761
<b>ADULTS HEALTH &amp; WELLBEING Total</b>	<b>72,663</b>	<b>12,842</b>	<b>-7,046</b>	<b>-3,923</b>	<b>74,536</b>	<b>26,529</b>	<b>40,486</b>	<b>16,147</b>	<b>157,698</b>
<b>CORPORATE RESOURCES</b>									
CORPORATE RESOURCES DIRECTOR	-135	0	27	-15	-123	0	0	358	235
CUSTOMERS, DIGITAL & ICT	5,940	326	-30	366	6,602	48	0	2,088	8,738
FINANCE	6,079	0	-843	563	5,799	12	62,659	2,305	70,775
HR, COMMS & EXEC OFFICE	3,882	0	-25	111	3,968	11	27	739	4,745
LEGAL & DEMOCRATIC SERVICES	3,417	0	-64	147	3,500	699	0	1,264	5,462
STRATEGY AND PERFORMANCE	2,102	0	-100	104	2,107	0	158	50	2,315
<b>CORPORATE RESOURCES Total</b>	<b>21,286</b>	<b>326</b>	<b>-1,034</b>	<b>1,276</b>	<b>21,853</b>	<b>769</b>	<b>62,844</b>	<b>6,803</b>	<b>92,269</b>
<b>COUNCIL WIDE BUDGET</b>	<b>34,594</b>	<b>123</b>	<b>-6,822</b>	<b>-2,811</b>	<b>25,084</b>	<b>554</b>	<b>13,664</b>	<b>-21,817</b>	<b>17,485</b>
<b>LEARNING &amp; OPPORTUNITIES C&amp;YP</b>									
CENTRALLY MANAGED	290	56	0	-151	195	0	4,539	3,191	7,925
CHILDRENS SERVICES TRUST	42,124	6,735	0	1,225	50,084	0	3,653	382	54,119
COMMISSIONING & BUSINESS DEVEL	8,647	248	-609	423	8,709	117	26,064	3,130	38,020
PARTNERSHIPS & OPERATIONAL DEL	1,914	-110	-35	106	1,874	192	5,332	367	7,765
<b>LEARNING &amp; OPPORTUNITIES C&amp;YP Total</b>	<b>52,974</b>	<b>6,929</b>	<b>-644</b>	<b>1,603</b>	<b>60,862</b>	<b>309</b>	<b>39,588</b>	<b>7,070</b>	<b>107,829</b>
<b>REGENERATION &amp; ENVIRONMENT</b>									
DEVELOPMENT	3,013	245	-174	169	3,252	2,693	615	2,406	8,967
DIRECTOR OF REGEN & ENVIRO	175	0	0	17	193	0	0	43	235
ENVIRONMENT	29,221	150	-944	1,268	29,695	7,973	4,635	23,575	65,879
TRADING & PROPERTY SERVICES	865	990	-1,530	1,010	1,335	12,319	70	31,158	44,882
<b>REGENERATION &amp; ENVIRONMENT Total</b>	<b>33,274</b>	<b>1,385</b>	<b>-2,648</b>	<b>2,464</b>	<b>34,475</b>	<b>22,985</b>	<b>5,321</b>	<b>57,182</b>	<b>119,963</b>
<b>Total Council Budget</b>	<b>214,791</b>	<b>21,605</b>	<b>-18,195</b>	<b>-1,391</b>	<b>216,811</b>	<b>51,146</b>	<b>161,902</b>	<b>65,384</b>	<b>495,244</b>
<b>Funded By: -</b>									
NON DOMESTIC RATES	-46,436	0	0	1,914	-44,523				
REVENUE SUPPORT GRANT	-28,131	0	0	8,090	-20,041				
TOP UP GRANT	-33,527	0	0	-768	-34,296				
COUNCIL TAX	-106,696	0	0	-8,025	-114,721				
<b>NET BUDGET REQUIREMENT</b>	<b>-214,791</b>	<b>0</b>	<b>0</b>	<b>1,211</b>	<b>-213,581</b>				
USE OF RESERVES	0	0	-3,230	0	-3,230				
<b>TOTAL FUNDING</b>	<b>-214,791</b>	<b>0</b>	<b>-3,230</b>	<b>1,211</b>	<b>-216,811</b>				

## Budget Proposals 2019/20 - Due Regard Review

### Due Regard Assessment required

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#### AH&Wb

- Community Safety
- Day Opportunities
- Fees & Charges
- Public Health Grant
- Residential Care - Working Age
- Stronger Communities
- Supported Living
- Contract Review
- Front Door and Community Offer
- Home Care & Direct Payments
- Staffing Restructuring & Functional Review

#### LOCYP

- Independent Travel Training Scheme
- LOCYP: Functional Review

#### R&E

- Assets
- Strategic Housing

### No Due Regard Needed

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#### AH&Wb

- Housing related support services
- Leisure Trust

#### Corporate Resources

- Corporate Resources

#### Council-Wide

- Fees & Charges
- Metropolitan Debt Levy
- Parish Councils
- South Yorkshire Passenger Transport Executive (SYPTTE)
- Minimum Revenue Provision (MRP) - reprofiling
- Pension - former employees
- Pension - prepayment
- Treasury Management

#### LOCYP

- LOCYP: Savings one-off in-year
- LOCYP: Savings on-going

#### R&E

- Highways (general fund)
- Highways and Streetscene
- Metroclean
- Waste Contract
- Facilities Management
- Fleet

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## Doncaster Council

Date: 4<sup>th</sup> March, 2019

To the Chair and Members of  
**COUNCIL**

### **CAPITAL STRATEGY AND CAPITAL BUDGET 2019/20 – 2022/23**

#### **EXECUTIVE SUMMARY**

##### **Capital Strategy**

1. The Prudential Framework of Capital Finance introduced a new requirement for local authorities to prepare a Capital Strategy for the 2019/20 Capital Budget.
2. The Capital Strategy outlines the principles and decision making process involved when approving new bids and the monitoring of Doncaster Council's capital programme. The aim is to contribute to the achievement of the Council's priorities and objectives, through the regeneration of the borough, improved infrastructure, improved efficiency and effective operation of services. This is to be delivered via an affordable programme of capital investment consistent with the Council's financial strategy.
3. The Capital Strategy is set out in paragraphs 37 to 72; this has been used to produce the Capital Budget Proposals set out in paragraphs 12 to 31.

##### **Capital Programme Budget Proposal**

4. Doncaster Council continues to invest in the future of the Borough despite the tough economic climate with an estimated £322.7m of capital investment over 2019/20 to 2022/23 that will continue to stimulate growth and prosperity, with £134.5m of spend estimated for 2019/20. The Council is investing in projects to further improve core services such as Education, Housing, Infrastructure, Leisure and Culture, as well as attracting investors and visitors to the Borough. Prime examples of this investment are the new Central Library and Museum £11.2m 2019/20 and 2020/21 (£15m overall for the programme including 2018/19), DN7 Hatfield Link Road Project £10.9m 2019/20 (£16.7m overall for the programme including previous years) and investing in our Leisure Facilities.
5. The proposed capital programme for the four years 2019/20 to 2022/23 is detailed in Appendices 1a to 1e and the paragraphs below. There is also

further information on some of the schemes that will have wide-ranging benefits for Doncaster.

6. The bids received during the budget setting process, total £30.1m over the four year programme, are provided in Appendix 2 of the Appendix pack.
7. In the following sections, unless stated otherwise, the value for 2019/20 is shown first and then the total for the four year programme is in brackets (2019/20 to 2022/23).

## **EXEMPT REPORT**

8. This report is not exempt.

## **RECOMMENDATIONS**

9. Council to approve:
  - a. The Capital Strategy at paragraphs 37 to 72;
  - b. Flexible use of Capital Receipts Strategy at paragraphs 32 to 36;
  - c. Capital Programme Budget for 2019/20 to 2022/23 at paragraphs 12 to 31; and
  - d. Directors in consultation with the portfolio holder take responsibility for agreeing any significant changes to the Schools Condition Programme and the Local Transport Plan funding and that they are agreed in consultation with the relevant Portfolio Holder.

## **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

10. Doncaster citizens will benefit from the continued capital investment in public facilities such as schools, leisure centres, roads, markets and affordable housing, and also from the Council facilitating growth by working with a range of partners. Work will also continue on the new Central Library and Museum an iconic 21st century building, which will transform how library and heritage resources are provided in the borough.

## **BACKGROUND**

11. Capital spending is something that is bought or built that generally lasts more than one year, such as a road or building. Most capital funding is allocated for spending on specific projects. Capital spending is different from revenue spending, which covers the day to day costs of running council services but capital investment can assist the revenue budget by helping to reduce running costs by providing more efficient facilities and equipment.



## Capital Programme Summary

12. The Capital Programme includes £322.7m of capital investment over 2019/20 to 2022/23, with £134.5m in 2019/20. A summary of the Capital Programme by Directorate is provided below: -

Directorate	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Adults, Health and Well-Being	7.081	11.268	6.923	6.294	31.566
Corporate Resources	16.469	13.334	12.500	12.500	54.803
Flexible use of capital receipts	3.000	3.000	0.000	0.000	6.000
Learning and Opportunities – Children and Young People	12.717	13.705	6.759	0.000	33.181
Regeneration and Environment	95.281	47.364	28.195	26.358	197.198
<b>Total</b>	<b>134.548</b>	<b>88.671</b>	<b>54.377</b>	<b>45.152</b>	<b>322.748</b>

### Regeneration and Environment: -

13. The programme managed by this Directorate is the largest part of the Council's budget in terms of project numbers and value at an estimated total investment of £95.3m in 2019/20 (£197.2m). The main areas of investment are the Infrastructure and Major Projects £45.4m (£58.2m), transport and maintenance £7.2m (£12.1m) and housing projects £29.4m (£108.8m).

14. A further analysis is provided in Appendix 1e of the Appendix pack.

### Development

- a) **New Central Library and Museum** – £10.9m 2019/20 £0.3m 2020/21 (funded from £11.2m borrowing) – £15m for the overall programme including 2018/19. A new, combined Central Library, Archives, Museum and Art Gallery, along with other social and learning facilities (e.g. a Core Education Space, rail heritage centre, conference and training facilities, micro-business incubation space, café, retail, etc.). The building work started in late 2018 and will be located on the site of the former Girls' School on Waterdale, adjacent to the Civic Offices. Scheduled for completion in the Summer of 2020. The building will contribute to wide-ranging skills, economic, and learning-related outcomes for Doncaster's residents.
- b) **Civic and Cultural Quarter (CCQ) Cinema Infrastructure** - £7.6m 2019/20 £2.2m 2020/21 (funded from £9.8m borrowing). CCQ cinema development with the Council acting as landowner, funder, developer and landlord of the completed development. The CCQ project seeks to regenerate the area around the Cast Theatre to increase footfall and attract further investment. The project aims to make the area more accessible and in turn attractive to occupiers, developers and investors, further assisting the Sheffield City Region's aims of securing further jobs and Gross Value Added (GVA) to this

part of the region. This development land will be more effectively connected to the core CCQ uses delivered in earlier phases (Cast Theatre and Civic Offices) and offer the potential to accommodate up to 47,882 sqm (515,000 sqft) of mixed use development incorporating retail, office and residential uses. The improved connectivity to these sites provided by the proposed public realm and infrastructure works will increase the attractiveness of these plots to investors for further commercial and residential development, in turn continuing the momentum achieved to date within the core CCQ area.

In tandem with the public realm and infrastructure works, the associated delivery of the new cinema (6 screens) and family restaurants (4) will lever in £7.8m of finance, providing 102 new jobs, adding to local employment opportunities for Doncaster and the wider City Region. Once completed it will create an annual rent, generate additional business rates and an enhanced CCQ leisure offer.

- c) **St Sepulchre Gate / Station Forecourt** - £3.7m 2019/20 (£5.3m) (funded with all SCRIF but with an additional £2.4m associated private development works directly relating to the scheme but not undertaken by the Council) – Providing a new gateway to Doncaster by redeveloping the station forecourt and access to the station from St Sepulchre Gate. The project aims to create a sense of arrival into Doncaster and define the railway station as a key gateway into the town centre. Works include the relocation of station car parking, acquisition of redundant buildings, new public realm and infrastructure works to improve safety, accessibility and visitor experience to the urban centre.

Phase 3 of the St Sepulchre Gate West project seeks to deliver the investment ambitions of Phases 1 and 2 of the scheme as set out in the business case submitted in June 2018.

The scheme involves the potential construction of an office complex at the Coroners Court location providing 2,693sqm (28,989sqft) of prime office space in which we already have interested third parties requiring office space in close proximity to the railway station.

The development of this office complex at the Coroner's Court would act as the catalyst to encourage further private investment into the St. Sepulchre Gate West area.

- d) **Quality Streets** - £0.5m 2019/20 (funded with £0.1m Council resources and £0.4m SCR Local Transport Capital Pot) – Quality Streets consists of Hall Gate and Silver Street which are identified in the Urban Centre Masterplan and are key to the delivery of the Innovation Quarter. Hall Gate is a vitally important location as it represents the key route and connectivity from the urban centre to Bennetthorpe and Doncaster Racecourse.

The changes will directly impact on the vision of Doncaster by increasing the attractiveness of these areas; complementing three earlier phases of investment, increasing footfall and retail usage and supporting the town's evening economy offer.

The project includes works to enhance the public realm (refurbishment and enhancement), changes to traffic flow on Hall Gate and evening

pedestrianisation of Silver Street. There will be additional lighting features for Silver Street.

It is expected this scheme will deliver between 80 and 198 jobs.

- e) **Enterprise Market Place Phase 2 (EMP2)** - £7.5m 2019/20 to 2020/21 (funding with £1.5m SCRIF) – The scheme will realise new retail, leisure and office floor space through the development of a new mixed use building (No1 Marketplace Building) framing the northern side of the market square and creating a new city street. This development is key to changing the feel of the marketplace to ensure it is best able to respond to the wider role envisaged. No1 Marketplace building will, by enclosing the northern side of the market, provide a key anchor linking the marketplace to the Minster and Waterfront via the creation of a new street, embracing the linkages to the wider City Core. Options for this scheme are currently being reviewed.

## Housing

- a) **Council House Building Programme (Committed)** – £1.7m 2019/20. 102 new Council owned affordable homes will be delivered next year through the Council's Affordable Housing building programme. The majority of the funding for these schemes was in previous years however completion is profiled in 2019/20. The major regeneration and redevelopment at the Wheatley Howards Estate will deliver 16 of these total units (in addition to the 58 units delivered previously). The remaining units will be: 20 units in Edlington, 41 in Conisborough and 25 in Balby.
- b) **Council House Building Programme (Not yet committed)** - Funding totalling £5.1m in 2019/20 (£20.6m across the four year programme) has been earmarked for further new build developments, subject to scheme approval. It is estimated this will deliver in the region of 180 additional units. A fully worked up programme is currently being developed. A housing needs survey has recently been completed and is currently under review; this will help to inform the future capital programme.
- c) **Council House Improvement and Maintenance Programme** - Funding totalling £12.3m in 2019/20, will be spent on improving and maintaining the existing Council housing stock to the Doncaster decency standard. The main focus will be on improvements to communal areas, heating conversions/upgrades, refurbishment of void properties and roof, fascia and soffit replacements.
- d) **High Rise Fire Safety Improvements** - £5.3m total has been invested previously into fire suppressant & sprinkler installations to nine high rise blocks of flats, the replacement of both lifts and improvement to the communal areas at Silverwood house. An additional £0.5m will be spent in 2019/20.

The Government has recently completed a review of building regulations (Hackitt report) and it is likely this will result in additional works to properties; this will be used to inform the future capital programme.

- e) **Energy Efficiency Works** - Funding totalling £1.8m in 2019/20 (£7.2m across the four year programme) will be spent on investment in Energy Efficiency Works to help reduce fuel poverty. The main focus will be on hard to treat

properties where there is either no cavity (sometimes classed as solid wall) or a narrow cavity, where standard cavity wall insulation is not possible or viable due to the nature of the construction.

### **Major Transport Schemes**

- a) **DN7 Unity Hatfield Link Road** - £11.9m 2019/20 (£12.7m across the four year programme) (funded with £9.5m SCRIF £1.4m Corporate resource, £0.4m grant and £1.4m developer contributions). Delivery of 3km new road from J5 M18 to unlock Unity mixed use development comprising 3,100 houses, 395,000m<sup>2</sup> of commercial floor space and local centre, retail and educational facilities over a 30 year timeframe.
- b) **A630 Westmoor Link** - £7.7m (£10.3m) 2018/19 to 2019/20 (funded with £5.0m SCRIF, £3.3m National Productivity Infrastructure Fund, £0.3m Local Transport Plan (LTP) including South Yorkshire Passenger Transport Executive (SYPTe) works and £1.7m developer contributions). This scheme sets out to deliver infrastructure improvements, including high capacity junctions and removal of a classified arterial route pinch point by widening a narrow railway overbridge over the A18. This scheme future-proofs infrastructure so that it is able to accommodate a number of planned developments in the area.

Asset protection dialogue has already commenced with Network Rail. Construction to be completed 2020/21.

### **Transport – Integrated Transport (IT) programmes**

- a) £1.3m in 2019/20 for a range of schemes relating to Safer Roads, Network Management, Cycling and Sustainable Choices (Dropped crossings, Footways, Bus Partnership, Minor Works Package, etc.).

### **Environment**

- a) **Highway Maintenance Programmes** – £4.9m 2019/20 (£9.8m) (LTP)

An estimated £4.9m of LTP capital funded works programmes for highways, bridges and street lighting maintenance schemes in 2019/20.

The highways works comprise of the structural, preventative and routine maintenance of the classified and unclassified road, footway and bridges infrastructure.

This funding will support on average per year approximately; surface dressing around 25km (15.5miles) of road network, strengthening/resurfacing around 10km (6.2 miles) of local roads and reconstruction/resurfacing around 8km (5miles) of footways in 2019/20.

In addition it is anticipated that around 15,000m<sup>2</sup> of permanent patching repairs will be undertaken in 2019/20 in support of pothole repairs, pothole prevention measures and routine maintenance.

The capital funded schemes will be undertaken based on a prioritised selection of classified and unclassified roads and footways aimed at stabilising and improving the condition performance status of the highway network in order to promote user safety and efficient travel and to support the

local economy, investment, growth and regeneration initiatives within the borough.

- b) **Street Lighting Column Replacement** - £0.3m (£0.7m) 2019/20 to 2020/21 (funded with Council resources) – for the replacement of existing street lighting columns, re-using the existing LED light fittings.

### **Trading**

- a) **Retained Public Building Investment Programme** - £1.1m (£1.8m) 2019/20 to 2020/21 (funded with Council resources). This is an annual programme to enhance and improve our retained building assets by addressing backlog maintenance issues. This value includes a bid made for additional resources for works to be carried out at sites including libraries; children's centres and youth centres. (see appendix 2, bid R&E 02).

### **Adults, Health and Well Being: -**

15. The total investment managed by this Directorate is estimated to be (£31.6m) over the four year programme, with £7.1m in 2019/20. The three largest areas are Housing Adaptations £4.8m (£18.5m) and Leisure Centre improvements £1.0m (£2.0m) as well as a new bid for a further (£10.0m) investment in Leisure Facilities over the next four years which will fundamentally improve leisure services (further information for this bid can be seen in appendix 2 bid reference AHWB 02).

16. A further analysis is shown in Appendix 1b of the Appendix pack:

- a) **DFG/Adaptations** - 1,200 housing adaptations for the disabled are estimated to be completed per year, with an estimated funding package of £4.8m (£18.5m). Additional funding has recently been announced that the Council will be bidding for.
- b) **Doncaster Culture and Leisure Trust** - This is the second year of a 3 year programme with (£2m) remaining. £1m is estimated to be used on fabric maintenance and system replacement in 2019/20, mainly at Adwick, Dearne Valley and the Dome.

### **Corporate Resources: -**

17. Corporate Resources are estimated to manage (£60.8m) of funds over the four year programme, with £19.5m in 2019/20. The major area of spend managed is investment in ICT £3.6m (£4.4m). The balance for the Investment and Modernisation Fund allocation, which is to be increased to £12.5m (£50m), is held within this directorate.

18. Also held within Corporate Resources is a bid for the flexible use of capital receipts £3.0m (£6.0m). This allows the Council to fund revenue expenditure that is forecast to generate ongoing service savings with capital receipts. As a requirement for the flexible use of capital receipts the Council must produce a flexible use of capital receipts strategy which is included for approval in paragraphs 32 to 37. This is the first time the Council will be using this Government direction.

19. A further analysis is shown in Appendix 1c of the Appendix pack.

- a) The £3.6m (£4.4m) of investment in technology is informed by the Council's Technology Forward Plan agreed by the Council's Technology Governance Board focused on ensuring the key objectives of the Council are met. This includes Doncaster Growing Together, the Council's Corporate Plan, Directorate and Service priorities to achieve all that the Council must as well as ensuring the Council continues to operate on a daily basis efficiently, legally and securely. This includes ensuring the Council's technical infrastructure is refreshed and maintained; business critical service delivery systems are refreshed and maintained and the introduction of new technologies. In particular, this includes the essential upgrade of all systems infrastructure, devices and desktops to comply with new operating system and desktop versions being introduced nationally in 2020 that are needed to ensure the organisation can still function and is fully protected from cyber- attacks. In addition, the implementation of the new Integrated People solution across children and adult social care and education management continues to progress as planned with use of the solution starting in 2019/20 using a phased approach providing whole family intelligence and enabling the reduction of many systems and data sources that are costly to support and maintain. More integrated joined up solutions will also be introduced for place based services thereafter providing intelligence to better target services and improve decision making.
- b) £12.5m (£50.0m) IMF available to fund projects which deliver more efficient services and enable further revenue savings; further detail is provided in paragraph 31.

### **Learning and Opportunities – Children and Young People: -**

20. The total investment via this Directorate is estimated to be £33.2m over the four year programme, with £12.7m in 2019/20. The major areas of investment are creating additional School Places, including a new special school £6.8m (£18.4m), the Schools Condition Programme £2.0m (£6.0m) and the School Roofs Programme £0.7m (£2.3m). It is important to note that these programmes are in development and so are subject to change, if for example cost estimates change or schools leave the Council's control. A further analysis is shown in Appendix 1d of the Appendix pack.
21. The bids received during the budget setting process are provided in Appendix 2 of the Appendix pack.
22. Considerable amounts of effort and investment are being made to improve the condition of our schools and create new school places. The main outcomes for this Directorate and more detail on the school building improvements is below:-

- a) **Schools Condition Programme** - Overall fifteen schools are estimated to have a range of improvements works completed in 2019/20, a single school may have more than one type of improvement work carried out, including roof replacement, electrical and lighting upgrades, window replacement and heating system improvements, investing £1.3m
- Four schools will have a range of electrical work completed including mains and lighting upgraded £0.24m
  - Six schools will have a range of heating, boiler and pipework improvements at an estimated cost of £0.41m;
  - Nine schools will have a range of fabric work completed including drainage work, roof work, windows replaced and fascia boards investing £0.61m;

The Schools Condition Programme will be refined and the values and locations are subject to change once detailed design has been completed. Any significant amendments will be agreed with the Portfolio Holder / Cabinet for this area and updates will be available through the quarterly Finance and Performance Improvement report to Cabinet and Overview and Scrutiny Management Committee.

Social, Emotional, Mental Health (SEMH) Provision and Alternative Provision allocation included at £1.1m – further information can be seen in Appendix 2 bid LOCYP 03.

Investment for the Armthorpe Academy which is dependent upon and cannot proceed without capital receipts from an external land sale at the site. Further information can be found in appendix 2 (LOCYP 02).

- b) **Doncaster Children's Services Trust** – Doncaster Children's Services Trust has funding of (£1.5m) over the four year programme, with £0.5m in 2019/20. The schemes are for the construction and acquisition of accommodation for care leavers which will reduce annual revenue expenditure.

The projects listed on Appendix 1d of the Appendix pack, have estimated values attached to them but the level of work leaves very little contingency compared to the overall programme of works. Should unexpected and urgent works be required or the estimated value of works increase, some projects will have to be delayed or cancelled to manage within the resources available.

### **Links to the Medium-term Financial Forecast (MTFF)**

23. All capital investment must be sustainable in the long term through revenue support by the Council or its partners. All capital investment decisions consider the revenue implication both in terms of servicing the finance and running costs of the new assets. The impact of the revenue implications is a significant factor in determining approval of projects. The use of capital resources has been fully taken into account in the production of the Council's MTFF.

## Asset Sales and Capital Receipts

24. To deliver the priorities, the Council needs to generate income by selling assets to generate capital receipts. Over the next four years the Council has estimated £58.3m will be received from sales of land and buildings via the general fund disposal programme. It is currently projected that there will be a shortfall in general fund capital receipts of £5.3m in 2018/19 caused by delayed delivery in the current and previous years (this shortfall could increase further if the current estimated sales for 2018/19 are not achieved). This reduces the balance available over the four year programme to £53.1m.
25. Existing commitments to be financed with capital receipts total £20.0m (Appendix 3a and b of the Appendix pack), with new proposals totalling £20.3m (Appendix 3c of the Appendix pack).
26. If the planned capital receipts are not generated or are below the estimated values the Council will need to review the capital programme. This may mean that the Council is unable to progress all the schemes, some schemes may need to be rescheduled or have values revised. In cases where schemes are left unfinanced until the capital receipt is available, additional borrowing costs will be incurred.
27. The tables below show the existing capital receipts, and both commitments and new proposals for 2019/20 to 2022/23: -

	19/20 £m	20/21 £m	21/22 £m	22/23 £m	Total £m
Approved Committed Projects – App 3a	6.940	2.118	0.000	0.000	<b>9.058</b>
Approved Uncommitted Projects – App 3b	7.660	1.590	0.829	0.050	<b>10.129</b>
New Proposals – App 3c	5.062	9.987	2.932	3.075	<b>21.056</b>
<b>Total Capital Receipts Required</b>	<b>19.662</b>	<b>13.695</b>	<b>3.761</b>	<b>3.125</b>	<b>40.243</b>
<b>Estimated Capital Receipts:</b>					
Carried forward	(5.312)	0.110	0.000	0.151	<b>(5.312)</b>
In-year capital receipts	25.084	13.585	3.912	15.762	<b>58.343</b>
<b>Total Est. Capital Receipts</b>	<b>19.772</b>	<b>13.695</b>	<b>3.912</b>	<b>15.913</b>	<b>53.031</b>
<b>Cumulative Balance (to c/f)</b>	<b>0.110</b>	<b>0.000</b>	<b>0.151</b>	<b>12.788</b>	<b>12.788</b>

28. The disposal programme is dependent upon a low number of high value assets. If any of these assets were to fail to sell, slip to another financial year or not achieve the estimated sale price it would be detrimental to the amount of capital receipts available. The capital receipts position is very tight over the first three years of the proposed capital programme with little room for slippage. As these are estimates the sale price may vary as well as the timings of the sales.

## Future Capital Allocations and Funding

29. Funding allocations will continue to be used in line with the relevant legislation or funding guidance. For funding that allows the Council discretion on how it is used and any new funding allocations made during the year, the Chief



Financial Officer will confirm to which part of the capital programme it will be applied.

30. The Chief Financial Officer will also approve requests to amend the use of capital receipts during the year after consultation with the Mayor and these will be reported quarterly to Cabinet as part of the Finance and Performance Improvement report.

### **Investment and Modernisation Fund (IMF)**

31. The IMF allocation is being increased back up to £50.0m to be available over the four year programme. Examples of projects to be funded over the four year programme include: -
- a) The Herten Triangle development;
  - b) Fleet and Plant replacement programme;
  - c) Civic and Cultural Quarter cinema development.

### **Flexible use of Capital Receipts Strategy**

32. The flexible use of capital receipts strategy has been prepared in accordance with guidance issued by the Secretary of State under section 15 (1)(a) of the Local Government Act 2003, effective from 1st April 2016 in respect of the Flexible Use of Capital Receipts. This allows the Council to fund expenditure, up to and including 2021/22, with capital receipts that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in such a way that it reduces costs or demand for services in future years. Examples of qualifying expenditure are:

- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing back-office and administrative services with one or more other council or public sector bodies; and
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others).

33. Implementation and progress of the projects within this strategy will be monitored as part of regular financial reporting arrangements, and funding allocated accordingly up to the maximum figure included in the capital programme. If it is deemed there are more cost effective or efficient uses of the receipts flexibility on projects not listed in the table below or further receipts are made available, this strategy will be replaced by a revised strategy, which will be approved by Cabinet in the quarterly monitoring report. A copy will also be sent to the Ministry of Housing, Communities & Local Government.

### **Impact upon Prudential Indicators**

34. The council will have due regard to the requirements to the Prudential Code and ensure there is not a detrimental impact upon the prudential indicators.

35. All schemes which are eventually deemed to qualify under this programme will have the required costs funded through capital receipts rather than revenue funding streams.

Planned use of the flexibility

36. The Council plans to set aside £3m in 2019/20 and a further £3m in 2020/21. In accordance with the guidance issued, the planned use in 2019/20 is set out below. All the projects will contribute towards the Council's savings target in 2019/20. The 2020/21 plan is subject to future planning.

<b>Project</b>	<b>Aim of the project</b>
Portfolio Office	To fund a Portfolio Office within the Council's Strategy and Performance Unit which will provide portfolio and programme management support to the Doncaster Growing Together portfolio and Council's corporate programmes. Portfolio management allows for the prioritisation of programmes and projects, the identification of interdependencies and cross-cutting risks and should ensure that collectively programmes are aligned to organisational strategies. The Portfolio Office will set the standard in terms of good governance and effective programme management.
DIPS Recruitment Integrated People Solution	To fund temporary resources of three Business Analysts and DCST Subject Matter Experts and associated resources, this extra staffing is required as the current resources do not have the required expertise in children's and adults services.
DCST additional funding	Extra funding for Doncaster Children's Services Trust (DCST) for Innovation funding. This funding will contribute to ongoing revenue savings and the avoidance of future expenditure.
Commissioning Contracts Team	Funding for procurement / recruitment of additional Commissioning and Contracts team resources on an initial twelve month basis. Delivering effective commissioning and contract management is right at the heart of our Transformational ambitions. Indeed, the inputs of the Commissioning and Contracts team are critical to the success of the vast bulk of transformation / improvement projects that are either already underway or planned. Crucially, the move towards the development of a strategic commissioning approach with external partners is a key element of the Doncaster Place Plan. This will include moves towards joint commissioning arrangements where appropriate / achievable.
Workforce	Severance costs from the reconfiguration and downsizing of the council's workforce.

## **Capital Strategy**

37. The Capital Strategy outlines the principles and decision making process involved when approving Doncaster Council's capital programme explaining how the Council prioritises, finances and manages capital schemes.
38. Spending is included within the capital programme where the Council expects it to result in future economic (asset value) or service (asset performance or life) benefits. This covers both purchase of new long-term assets and improvements to existing ones, and is consistent with the approach required in the CIPFA Code of Practice in Local Authority Accounting. Some of the Council's spending allocations are to either purchase or improve an asset belonging to another organisation or individual, such as housing adaptations for the disabled, in these circumstances, we include the expenditure in the capital programme for budget setting and monitoring processes, but follow the Code of Practice's requirements for accounting treatment to ensure it does not increase the net worth shown on our Balance Sheet.
39. A prudent low risk approach is taken with the capital programme; spend needs to be aligned to council objectives e.g. through the regeneration of the borough, improved infrastructure and effective operation of services. This is achieved by ensuring the Council:
- a. Maximises the use of assets over their useful life ensuring they are kept in appropriate operational condition for continual delivery of services;
  - b. Strategic projects that deliver our ambitions as a Council to improve education, housing, infrastructure, retail, leisure and culture, as well as attracting investors and visitors to the borough; and
  - c. Improves the revenue budget position through maximising the use of capital funding e.g. rationalisation of buildings and investment in Care Leavers Housing Provision to reduce on-going costs.
  - d. If designed to yield returns a capital scheme must be within the borough, deliver regeneration and meet the criteria set out in paragraphs 45 to 50.
40. Further information is provided below on the overall priorities and key strategies that influence the capital programme:

## **The Council's Corporate Objectives and Priorities**

41. The Council's priorities are summarised by five themes in both the Corporate Plan and four year Borough Strategy, Doncaster Growing Together. The five themes are:
- a) Doncaster Learning – Learning that prepares all young people and adults for a life that is fulfilling;
  - b) Doncaster Working – More people are able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future
  - c) Doncaster Caring – A borough that cares together for its most vulnerable residents
  - d) Doncaster Living – Doncaster's people live in a borough that is vibrant and full of opportunity, where people enjoy spending time

e) Connected Council - A Connected Council, ready for the future.

42. The strategies and plans influencing the capital programme include:

- a) **Medium-term Financial Forecast (MTFF)** - All capital investment must be sustainable in the long term through revenue support by the Council or its partners. All capital investment decisions consider the revenue implication both in terms of servicing the finance and running costs of the new assets. The impact of the revenue implications is a significant factor in determining approval of projects. The use of capital resources has been fully taken into account in the production of the Council's MTFF.
- b) **Asset Management Strategy 2017-2022** - Sets out actions to be taken to the Council's property portfolio to ensure it stays relevant and retains its financial and organisational value with clear guidance about how assets will be used, maintained and where appropriate, disposed of.
- c) **Housing Strategy** - A clear strategy for responding to current and future housing needs is an essential requirement for borough growth and improvement. The availability and quality of housing has a direct impact on health, educational attainment, economic prosperity and community safety and cohesion – all of which are critical to Doncaster's success and to the wellbeing of our residents and visitors.
- d) **Treasury Management Strategy Statement** - details the strategy for management of the Council finances and provides a framework for the operation of the treasury management function within the Council. Treasury management makes sure that sufficient cash is available to meet service delivery in line with the approved Capital and Revenue Budgets.

The Minimum Revenue Provision (MRP) policy adopted by the Council is outlined within the Treasury Strategy.

- e) The Council's previous ICT Strategy has expired and a **Technology Strategy 2018-22** is currently being finalised for consideration. This will assist the Council in planning how it will seek to maximise the use of technology to enable the Council over the next few years. The purpose being to achieve the following:
  - A technology vision and plan that enables the Council's business objectives and priorities;
  - To ensure changing customer/citizen expectations are met in an ever-changing world;
  - The continuation of the modernisation of service delivery and how staff operate; and
  - To continue the streamlining of the behind the scenes operating model to assist in meeting increased demand within an ever-reducing budget.
- f) It includes 3 themes to deliver against –
  - **A Smarter Doncaster** based around our Doncaster Growing Together objectives – Living, Working, Caring & Learning; Connected Council;
  - **A Smarter Council** – Less Systems, Smart Agile Desktop, Data Driven and More Cloud Platforms;
  - **A More Innovative Council** – Drones, Internet of Things, Artificial Intelligence and Autonomous Vehicles.

## Maintenance and review of current Assets

43. The Council must ensure that its assets remain at an appropriate level of condition in order for them to be used for the delivery of services, in accordance with the Council priorities.
44. The following programmes of maintenance, replacement and acquisition are used for the review of current assets and future requirement:

- a) **School condition programme** – planned maintenance across Doncaster’s Maintained Schools. The programme will cover schemes for mechanical (heating and ventilation), electrical (lighting and Mains upgrades) and building fabric improvements (windows etc.). The work is identified through the annual building surveys and a review of any data that has been collected through call outs or emergency repairs as well comments from regulatory inspections (OFSTED and Safeguarding).

By delivering the programme the Council will ensure the school buildings remain open and ensure pupil places are not at risk due to condition issues within the premises. The lighting, mechanical and mains upgrades will ensure all statutory requirements as set out in the condition reports held by the Council are met.

- b) **Highways** - supports the ongoing permanent repair and structural maintenance of all of the adopted highway assets including carriageways, footways, street lighting and bridges. Works to be carried out are based on condition surveys which are carried out annually.

Planned structural schemes will be selected and funding allocated on a priority basis reflective of condition, usage, risk and affordability in order to ensure the Council meets its statutory duty and obligations in safely maintaining the highway network and in providing safe passage for highway users.

- c) **Responsive Asset Management Plan (RAMP)** – development of directorate specific plans to inform decision making and bring asset use further up the agenda. Will provide information used to identify and prioritise the maintenance requirements of current assets.
- d) **Investment Portfolio Review** – a reporting mechanism to allow robust and informed management decision making relating to;
- Asset performance
  - Investment, acquisition and disposal opportunities
  - Benchmarking against other authorities
- e) **Fleet replacement** – factors such as condition, mileage and current utilisation levels are all taken into consideration when deciding if vehicles which currently form part of the Council’s fleet should be disposed of, maintained or replaced.
- f) **Retained Buildings Improvement** - Investment to address condition related projects to ensure buildings remain fit for purpose, in operation and safe.
- g) **Housing** - improvements and maintenance of the existing Council housing stock to maintain the Doncaster decency standard. The main focus will be

on improvements to communal areas, heating conversions/upgrades, refurbishment of void properties and roof, fascia and soffit replacements. There will be further investment in Energy Efficiency Works to help reduce fuel poverty.

### **Non-Financial Investments**

45. The Council holds some assets to primarily or partially generate rental income and appreciation in value.
46. All investment assets are revalued annually at fair value to give an accurate indication of the receipt that could be generated to recover any capital investment.
47. It is anticipated that the properties will increase in value over the long term providing an increase in the capital value of the investment as well as the investment return. There is a risk the capital value could fall reducing the capital returned on disposal depending upon market conditions.
48. The key considerations when purchasing a property for investment purposes are:
  - a) Targeted Returns of 7%
  - b) Investment range between 5% & 12% (hurdle rate for consideration 5%)
  - c) When weighing up an investment the rental yield will be used to ensure the hurdle rate is reached i.e. an investment property with a capital value of £1m should return at least £50k pa after costs to meet the criteria. This will take into account any costs of management of the property.
  - d) Reporting will also outline the expected capital appreciation for the property and the overall IRR (Internal Rate of Return).
  - e) Clear risk management through a balanced portfolio approach and link with the Treasury Management Strategy Statement as a whole;
  - f) Due diligence will be carried out on all potential properties. This will include:
    - Full Survey and valuation of the buildings;
    - Review of leases ensuring they are FRI (Full repair and insuring) and there is a clear service charge where needed covering 100% of all costs of maintenance;
    - Review of tenant covenants including credit checks to ensure tenants are a low risk category and yields are appropriately set;
    - Full book appraisal of service charge accounts to ensure these have been managed appropriately;
    - Review of all contracts in place for the management of service charge contracts.
49. The investment portfolio review will be used to monitor the performance and value of the existing investment properties held by the Council.

### **Funding Sources**

50. The capital programme budget is financed using the most appropriate funding sources to maximise the overall financial position for the Council. Throughout the year this is continuously monitored and the Section 151 officer will update capital financing accordingly to ensure the most advantageous financial position is achieved. The strategy seeks to maximise external funding as a priority, followed by internal capital funding sources i.e. capital receipts, with

the least preferred option being borrowing. This protects the limited corporate resources available and maximises the revenue budget position.

51. The resources used for the delivery of the capital programme are:

- a) **Grants/Contributions** - Some capital projects are financed wholly or partly through external grants and contributions e.g. grants from central government and developer contributions.

Grants from external sources are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of capital developments that would otherwise have been unable to progress.

- b) **Capital Receipts** – generated through the sale of surplus land and building assets.

A disposals programme has been approved by Cabinet up to 2021/22. Reviews account for legal and planning restrictions and include ward member consultation.

The timing of the receipts takes into account, where possible, other Council led disposals (Strategic Housing) and known local private sector supply. An example of this is at Lakeside where a number of competing Council owned sites programmed to be marketed simultaneously, with on-going developer activity in the area, risked low demand and reduced receipts. The programme also aims to create a spread of disposals in terms of scale as well as geographical location, to promote development across the borough.

Strategic Asset Management continues to review smaller scale disposals and will bring these sites forward on a continuing basis for approval.

Failure to deliver asset sales in the specified timeframe or at the estimated value could lead to proposed schemes being rejected or delayed. Alternatively, schemes could be funded through additional borrowing but the impact upon revenue budgets would have to be reviewed.

- c) **Borrowing** - borrowing is where the debt costs have to be funded from the Council's revenue resources. The impact upon the revenue budget and affordability has to be taken into consideration for the MTF due to the MRP and interest charges involved. The capital schemes to be borrowed against are reviewed and the use of resources will be changed to ensure the MRP charges to be incurred maximise the revenue budget.

Borrowing limits and policies are covered in the Treasury Management Strategy Statement.

- **Local Infrastructure Rate** - Local authorities will be able to access a new Local Infrastructure Rate; this will be further considered during 2018/19. Borrowing will be available at a discounted interest rate to support infrastructure projects that are high value for money.
- **Investment and Modernisation Fund (IMF)** – the fund was set-up in 2013/14 to assist the Council to deliver better and more efficient services; without the initial capital investment these types of projects quite often do not develop. The IMF is funded by borrowing and is available for regeneration or efficiency projects where capital investment is required up front. The schemes must be proven to be affordable within the revenue budget (cover the revenue borrowing costs).

The IMF Board, is responsible for the overall control and management of the IMF and has responsibility and authority for the approval and allocation of funds to projects in line with Council policy.

All projects must be evaluated and approved by the Board on the following criteria:

- Be aligned to and contribute to Council priorities;
- Be self-financing through for example: generating revenue savings or additional income or from asset disposals;
- Carry an acceptable level of risk;
- To fit into the borrowing level approved; and
- Be within the Councils control, or where the Council has significant influence

- d) **Revenue Contribution to Capital Outlay** – the use of revenue resources to fund capital schemes. This is the least preferred option of financing due to the additional pressure it could cause upon the revenue budget. If it is to be used the impact will be taken into consideration within the MTFF.

### **Approval and Prioritisation of the Capital Programme**

52. Relevant approval is required before a project can commence or commit to capital spend. New additions to the capital programme are approved in either the annual capital budget setting report or the quarterly monitoring report; which must be followed by a more detailed decision record.
53. During the budget setting process a targeted approach is taken to capture capital bids from key service areas such as Transport, ICT, Assets and Property, etc. To help ensure they are priorities, the bids are supported by the relevant Director before being passed to Financial Management
54. Bids are made by the completion and submission of a Capital 1 Form. The Capital 1 form aims to capture the relevant information to prove the scheme is required and if so, determine its level of priority.
55. The Capital 1 form records the Council priorities the proposed scheme will help to achieve, measurable outcomes and the potential impact if the scheme is rejected or delayed. How the scheme is expected to be financed is also required with additional scrutiny taking place on the use of capital receipts.
56. Future impact upon revenue budget requirements is also captured in order to ensure the scheme is affordable and sustainable in the long term following implementation. The pressures this could cause upon revenue budgets are taken into consideration within the MTFF.
57. Bids are ranked by priorities met, health and safety issues resolved, necessity for service continuation, financial implications.
58. The bids are then considered by all the Directors, the Mayor and Cabinet, and then if supported, included in the proposed Capital Programme considered by Full Council in March.
59. Outside of budget setting, the other main way to include a project in the capital programme is to complete a Capital 1 form and include the project in the quarterly Finance and Performance Improvement Report, which is a key decision approved at Cabinet. An Officer Decision Record (ODR) will then be required to gain specific project approval before spend can be committed to.
60. If approval is required before the next Finance and Performance Improvement report goes to Cabinet, a project specific report will be needed. Generally



projects under the key decision limit are approved by Officer Decision Record (ODR), but a full report will be needed for projects meeting the definition of a key decision. Capital decision records are approved by both the Directorate and Financial Management.

### **Monitoring of the Capital Programme**

61. Capital projects are formally monitored as part of the quarterly Finance and Performance Improvement report by Directors and Cabinet, with updates and amendments being made on a project by project basis in-between quarterly reports, with higher value and profile projects often reviewed monthly. Budgets for projects funded by capital receipts, borrowing and ear-marked reserves are project specific and cannot be moved by Directors.
62. Project officers work with Financial Management to provide information which is collated and analysed. Exceptions (problems with delivery or spend for example) are then included in the quarterly report for information and action. The information is considered by the relevant Directorate Management Team, Directors, Executive Board and Cabinet.
63. The outturn position for capital schemes is collated at year end. Financing of the schemes is finalised and any unused budget is either rolled forward or removed.
64. Capital CP shows the original approved budget and total scheme spend. When a scheme is complete this allows the financial aims of the scheme to be assessed. Where the aims were not met, lessons can be learned, which can inform future projects and may lead to revisions in either the budgeting or monitoring processes.
65. As well as the financial aims the project outcomes should also be reviewed e.g. construction of facilities to encourage the uptake of sport and physical activity within a community has had the desired effect.

### **Flexible use of Capital Receipts**

66. Guidance was issued by the Secretary of State under section 15 (1)(a) of the Local Government Act 2003, effective from 1st April 2016 in respect of the Flexible Use of Capital Receipts.
67. This allows the Council to fund expenditure with capital receipts that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery in such a way that reduces costs or demand for services in future years.
68. The option to use capital receipts for revenue transformation purposes is currently available up to 2021/22.
69. The Council is going to use capital receipts in this way and is required to produce a Flexible use of Capital Receipts Strategy before the start of the year to be approved at full Council. This contained within paragraphs 32 to 36.

### **Skills and Knowledge**

70. The Council has many years' experience of delivering capital programmes and uses this experience to evaluate new proposals, monitor on-going capital investment and manage any risks that may arise.
71. Capital investments are reviewed under a robust approval process that receives input from appropriately qualified and skilled finance professionals and receives scrutiny from Elected Members.

72. If additional skills and knowledge requirements are identified, the Council will source appropriate specialist skills and knowledge to supplement and, where possible, upskill Members and in-house staff.

## OPTIONS CONSIDERED

73. Option 1 – Do not support the Capital Strategy, Flexible use of Capital Receipts Strategy and proposal for the 2018/19 to 2021/22 Capital budget.

74. Option 2 – Council approve the Capital Strategy, Flexible use of Capital Receipts Strategy and proposal for the 2018/19 to 2021/22 Capital budget.

## REASONS FOR RECOMMENDED OPTION

75. Option 2 has been adopted, approving the Capital Strategy, Flexible use of Capital Receipts Strategy and allowing the Council to carry out the four year Capital programme financed with available resources. This will bring about the investment required for the regeneration and improvements highlighted within the report.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

76. These are detailed in the table below: -

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>Council budget therefore impacts on all outcomes</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p>	

	<ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	

## RISKS AND ASSUMPTIONS

77. Specific risks and assumptions have been detailed in the report. Specific risks to highlight are: -
- a. the risk of asset sales being delayed or being delivered at a lower value than estimated.
  - b. Should the funding for Education be lower than estimated, this would mean that programmes of work would have to be reviewed and revised.

## LEGAL IMPLICATIONS [Officer Initials: SF Date: 28.01.19]

78. In accordance with the provisions of the Local Government Act 2003, a local authority may borrow money – (a) for any purpose relevant to its functions under any enactment, or (b) for the purposes of the prudent management of its financial affairs.
79. Each individual drawdown of Capital funds of one million pounds or more will require further approval by the Chief Financial Officer, in consultation with the relevant Portfolio Holder in accordance with Financial Procedure Rules.
80. Further, specific legal advice will be required as each project progresses. Advice will be required when utilising external funding streams in order to ensure that the council's best interests are protected. Each individual project should be procured in accordance with Contract Procedure Rules and EU Procurement Regulations as appropriate.

## FINANCIAL IMPLICATIONS [Officer Initials: RI Date: 07.01.19]

81. Financial implications are contained within the body of the report. Specific project approval will be required for each project as they are developed as per the Financial Procedure Rules. These will help to ensure that the capital programme remains affordable as projects will not start until the required funding has been identified.

82. The use of borrowing to fund projects such as the Investment and Modernisation Fund will be managed within the prudential indicators as approved in the Council's Treasury Management Strategy Statement. The Chief Finance Officer and Assistant Director of Finance have delegated powers through this policy to make the most appropriate form of borrowing from approved sources. The borrowing will therefore be incorporated within the Council's four year capital programme for 2019/20 to 2022/23.

#### **HUMAN RESOURCES IMPLICATIONS [Officer Initials: KG Date: 01.02.2019]**

83. There are no immediate HR imps identified within this report, however once post reduction numbers are known (see point 37) further advice should be sought from the relevant Directorate Team.

#### **TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 25.01.2019 ]**

84. As outlined above, the capital programme includes investment in technology that has been informed by the Council's Technology Forward Plan agreed by the Council's Technology Governance Board. The report covers many other areas and activity of work for the Council. For the majority of the items listed in the report there are no technology implications. However, as part of the implementation of the individual projects any requirements for new, enhanced or replacement technology to support the delivery of proposals outlined in the report will need to be considered and prioritised by the Technology Governance Board..

#### **HEALTH IMPLICATIONS [Officer Initials: CH Date: 22.01.2019 ]**

85. The choices the council makes in both raising and allocating capital budgets will impact on the health of the population. In general 20% of what contributes to health is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment. Within the financial resources available this paper sets out clearly the broad areas of capital investment in culture, housing, leisure and infrastructure should support increasing physical activity and reducing social isolation. Work on fire safety will contribute to protecting health, street lighting and other environmental improvements may also increase physical activity and support for school infrastructure is crucial for learning. Where ever possible capital investments should seek to maximise social value consider long term social, environmental and economic sustainability and resilience. Where further cabinet reports are required report authors should consider the need for formal health impact assessments or early involvement of the public health team to minimise unintended impacts on health. Health impacts should also be addressed in the due regard statements that are developed alongside these further reports.

#### **EQUALITY IMPLICATIONS [Officer Initials: RI Date: 23.01.19 ]**

86. The Council must consider and have due regard to the three aims of the general equality duty when developing and implementing the council's Medium Term Financial Forecast. The Council will ensure it makes fair and informed financial decisions, demonstrating its commitment to improving outcomes for the most vulnerable groups of people living in Doncaster. The weight given to the general duty will depend on how that area of work affects

discrimination, equality of opportunity and good relations. For example; decisions on social care or community safety are likely to be more relevant and have greater impact on equality than those on waste disposal. The Council uses a simple due regard process to ensure due regard is considered and to support a transparent, effective process that is accountable to users and residents. Amongst others, the “due regard” will be informed by establishing the key equality issues across Doncaster, undertaking appropriate consultation and prioritising the projects.

87. Whilst no due regard statement has been completed as part of this report, all projects and programmes agreed during the programme will be subject to an individual due regard statement being prepared and actioned by the relevant project manager where required.

## **CONSULTATION**

88. The specific proposals have been considered by Directorates from September 2018. Key dates in the budget timetable leading up to Council approving the budget on the 4th March 2019 are detailed below: -

- Government's Autumn Budget – 29th October, 2018
- Union consultation – 30<sup>th</sup> January, 2019
- Overview & Scrutiny Management Committee (OSMC) consultation – 7th February 2019
- Cabinet – Council reports – 12th February, 2019.
- Council – 4th March, 2019

89. Where required, specific consultation will take place on individual projects prior to implementation.

## **BACKGROUND PAPERS**

- Cabinet Report – Finance and Performance Improvement Report: 2018-19 Quarter 1  
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=2864>
- Cabinet Report – Finance and Performance Improvement Report: 2018-19 Quarter 2  
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3068>

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## Appendices Contents

<b>Title</b>	
Appendix 1a to 1e	Capital Schemes by Directorate
Appendix 2	New Proposals to the Capital Programme
Appendix 3	Use of Capital Receipts

**CAPITAL PROGRAMME 2019/20 TO 2022/23 - DIRECTORATE SUMMARY (INCLUDING NEW PROPOSALS)**

DIRECTORATE & SERVICE AREAS	2019/20	2020/21	2021/22	2022/23	FOUR YEAR
	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROGRAMME
	£'000s	£'000s	£'000s	£'000s	TOTAL
					£'000s
<b>ADULTS, HEALTH &amp; WELL-BEING</b>					
ADULT SOCIAL CARE	4,694	4,831	4,437	4,437	18,399
COMMUNITIES	292	80	0	0	372
MODERNISATION AND COMMISSIONING	295	0	0	0	295
PUBLIC HEALTH	1,800	6,357	2,486	1,857	12,500
<b>ADULTS, HEALTH &amp; WELL-BEING TOTAL</b>	<b>7,081</b>	<b>11,268</b>	<b>6,923</b>	<b>6,294</b>	<b>31,566</b>
<b>CORPORATE RESOURCES</b>					
CUSTOMERS, DIGITAL & ICT	3,597	834	0	0	4,431
FINANCE	12,670	12,500	12,500	12,500	50,170
DEMOCRATIC SERVICES	70	0	0	0	70
HR, COMMS & EXEC OFFICE	132	0	0	0	132
FLEXIBLE USE OF CAPITAL RECEIPTS	3,000	3,000			6,000
<b>CORPORATE RESOURCES TOTAL</b>	<b>19,469</b>	<b>16,334</b>	<b>12,500</b>	<b>12,500</b>	<b>60,803</b>
<b>LEARNING &amp; OPPORTUNITIES - CHILDREN &amp; YOUNG PEOPLE</b>					
CENTRALLY MANAGED	200	200	200	0	600
COMMISSIONING & BUSINESS DEVELOPMENT	10,808	13,071	5,780	0	29,659
PARTNERSHIPS & OPERATIONAL DELIVERY	1,232	136	0	0	1,368
CHILDREN'S TRUST	477	298	779	0	1,554
<b>LEARNING &amp; OPPORTUNITIES - CHILDREN &amp; YOUNG PEOPLE TOTAL</b>	<b>12,717</b>	<b>13,705</b>	<b>6,759</b>	<b>0</b>	<b>33,181</b>
<b>REGENERATION &amp; ENVIRONMENT</b>					
DEVELOPMENT - STRATEGIC INFRASTRUCTURE	45,445	12,068	1,500	0	59,013
DEVELOPMENT - STRATEGIC HOUSING	29,379	27,346	26,198	25,890	108,813
ENVIRONMENT	7,642	5,294	50	50	13,036
TRADING & ASSETS	12,815	2,656	447	418	16,336
<b>REGENERATION &amp; ENVIRONMENT TOTAL</b>	<b>95,281</b>	<b>47,364</b>	<b>28,195</b>	<b>26,358</b>	<b>197,198</b>
<b>TOTAL DMBC CAPITAL PROGRAMME WITH NEW PROPOSALS</b>	<b>134,548</b>	<b>88,671</b>	<b>54,377</b>	<b>45,152</b>	<b>322,748</b>
<b>CAPITAL FUNDING</b>					
CAPITAL RECEIPTS - GF	19,662	13,695	3,761	3,125	40,243
MINIMUM REVENUE PROVISION	500	0	0	0	500
EARMARKED RESERVES	1	0	0	0	1
GRANTS & CONTRIBUTIONS	46,094	28,429	9,725	2,244	86,492
BORROWING	36,591	16,543	12,528	11,728	77,390
REVENUE CONTRIBUTION - GENERAL FUND	103	100	0	0	203
REVENUE CONTRIBUTION - HRA	6,828	5,887	6,970	7,605	27,290
USABLE CAPITAL RECEIPTS (HOUSING)	7,487	3,788	2,265	2,265	15,805
MAJOR REPAIRS RESERVE (HOUSING)	17,282	20,229	19,128	18,185	74,824
<b>TOTAL CAPITAL FUNDING</b>	<b>134,548</b>	<b>88,671</b>	<b>54,377</b>	<b>45,152</b>	<b>322,748</b>

**ADULTS, HEALTH & WELL-BEING CAPITAL PROGRAMME 2019/20 TO 2022/23**

<b>CAPITAL INVESTMENT</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
<b>ADULT SOCIAL CARE</b>	<b>4,694</b>	<b>4,831</b>	<b>4,437</b>	<b>4,437</b>	<b>18,399</b>
ADAPTATIONS FOR THE DISABLED	1,900	1,900	1,900	1,900	7,600
DISABLED FACILITIES GRANTS	2,794	2,931	2,537	2,537	10,799
<b>COMMUNITIES</b>	<b>292</b>	<b>80</b>			<b>372</b>
<b>LIBRARIES &amp; CULTURE</b>	<b>284</b>	<b>80</b>			<b>364</b>
HERITAGE ASSET IMPROVEMENTS	284	80			364
<b>COMMUNITIES</b>	<b>8</b>				<b>8</b>
FAR FIELD-EDENTHORPE	7				7
MERE LANE EDENTHORPE	1				1
<b>MODERNISATION AND COMMISSIONING</b>	<b>295</b>				<b>295</b>
COMMUNITY INFRASTRUCTURE - CUSTOMER JOURNEY	295				295
<b>PUBLIC HEALTH</b>	<b>1,800</b>	<b>6,357</b>	<b>2,486</b>	<b>1,857</b>	<b>12,500</b>
DONCASTER LEISURE TRUST	1,000	1,000			2,000
CLOSED ROAD CYCLE CIRCUIT	500				500
LEISURE FACILITIES INVESTMENT	300	5,357	2,486	1,857	10,000
<b>ADULTS, HEALTH &amp; WELL-BEING CAPITAL PROGRAMME</b>	<b>7,081</b>	<b>11,268</b>	<b>6,923</b>	<b>6,294</b>	<b>31,566</b>

<b>ADULTS, HEALTH &amp; WELL-BEING CAPITAL SOURCES OF FUNDING</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
CAPITAL RECEIPTS - GF	1,879	6,437	2,485	1,857	12,658
MINIMUM REVENUE PROVISION	500				500
EARMARKED RESERVES	1				1
GRANTS & CONTRIBUTIONS	2,279	2,273	2,273	2,272	9,097
USABLE CAPITAL RECEIPTS (HOUSING)	522	658	265	265	1,710
MAJOR REPAIRS RESERVE (HOUSING)	1,900	1,900	1,900	1,900	7,600
<b>TOTAL ADULTS, HEALTH &amp; WELL-BEING CAPITAL PROGRAMME FUNDING</b>	<b>7,081</b>	<b>11,268</b>	<b>6,923</b>	<b>6,294</b>	<b>31,566</b>



**CORPORATE RESOURCES CAPITAL PROGRAMME 2019/20 TO 2022/23**

<b>CAPITAL INVESTMENT</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
<b>CUSTOMERS, DIGITAL &amp; ICT</b>	<b>3,597</b>	<b>834</b>			<b>4,431</b>
NEW EMAIL PLATFORM	150				150
ICT DESKTOP & MOBILE UPGRADE	470	400			870
NETWORKING (WAN)	380	140			520
PHYSICAL SERVERS	87	83			170
ICT CORPORATE STORAGE (SAN)		100			100
VMWARE VIRTUAL SERVERS	250				250
DONCASTER INTEGRATED PEOPLE SOLUTIONS (DIPS)	908	111			1,019
SUPERFAST BROADBAND	780				780
COUNCIL WIDE SYSTEMS	572				572
<b>FINANCE</b>	<b>15,670</b>	<b>15,500</b>	<b>12,500</b>	<b>12,500</b>	<b>56,170</b>
ERP (FINANCIAL SYSTEMS)	170				170
INVESTMENT & MODERNISATION FUND	12,500	12,500	12,500	12,500	50,000
FLEXIBLE USE OF CAPITAL RECEIPTS	3,000	3,000			6,000
<b>DEMOCRATIC SERVICES</b>	<b>70</b>				<b>70</b>
VOTING AND CONFERENCE SYSTEM	70				70
<b>HR, COMMS &amp; EXEC OFFICE</b>	<b>132</b>				<b>132</b>
HR/PAYROLL SYSTEM	132				132
<b>CORPORATE RESOURCES CAPITAL PROGRAMME</b>	<b>19,469</b>	<b>16,334</b>	<b>12,500</b>	<b>12,500</b>	<b>60,803</b>

<b>CORPORATE RESOURCES CAPITAL SOURCES OF FUNDING</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
CAPITAL RECEIPTS - GF	6,089	3,734			9,823
BORROWING	13,280	12,500	12,500	12,500	50,780
REVENUE CONTRIBUTION - GENERAL FUND	100	100			200
<b>TOTAL CORPORATE RESOURCES CAPITAL PROGRAMME FUNDING</b>	<b>19,469</b>	<b>16,334</b>	<b>12,500</b>	<b>12,500</b>	<b>60,803</b>

**LEARNING & OPPORTUNITIES - CHILDREN AND YOUNG PEOPLE'S CAPITAL PROGRAMME 2019/20 TO 2022/23**

<b>CAPITAL INVESTMENT</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
					<b>£'000s</b>
<b>CENTRALLY MANAGED</b>	<b>200</b>	<b>200</b>	<b>200</b>		<b>600</b>
LO-CYP SERVICE IMPROVEMENTS & LIABILITY	200	200	200		600
<b>PARTNERSHIPS &amp; OPERATIONAL DELIVERY</b>	<b>1,232</b>	<b>136</b>			<b>1,368</b>
SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) ASD DEVELOPMENT		136			136
SEND HEATHERWOOD	150				150
SOCIAL, EOTIONAL AND MENTAL HEALTH (SEMH) PROVISION AND ALTERNATIVE PROVISION	1,082				1,082
<b>COMMISSIONING &amp; BUSINESS DEVELOPMENT</b>	<b>11,285</b>	<b>13,369</b>	<b>6,559</b>		<b>31,213</b>
<b>SCHOOL ORGANISATION</b>	<b>9,881</b>	<b>12,671</b>	<b>5,380</b>		<b>27,932</b>
SAFEGUARD&SECURE MINOR PROJECT	280	80	80		440
SCHOOL PLACES-BLOCK ALLOCATION	100	600	300		1,000
LAKESIDE PRIMARY SCHOOL PLACES	180				180
SURPLUS PLACES ARMTHORPE		2,250	2,250		4,500
NEW SPECIAL SCHOOL	3,821	3,441			7,262
SCHOOL PLACES HATCHELL GRANGE	1,250	1,250			2,500
SCHOOL PLACES ROSSINGTON PRIMARIE	1,500	1,500			3,000
ARMTHORPE ACADEMY LAND PURCHAS		800			800
SCHOOL ROOFS PROGRAMME	750	750	750		2,250
SCHOOLS CONDITION PROGRAMME	2,000	2,000	2,000		6,000
<b>SCHOOLS</b>	<b>827</b>	<b>300</b>	<b>300</b>		<b>1,427</b>
DEVOLVED FORMULA CAPITAL - SCHOOLS	827	300	300		1,427
<b>COMMISSIONING</b>	<b>1,054</b>	<b>696</b>	<b>1,658</b>		<b>3,408</b>
AIMING HIGH FOR DISABLED CHILDREN	100	100	100		300
<b>CHILDREN'S TRUST</b>	<b>477</b>	<b>298</b>	<b>779</b>		<b>1,554</b>
CARE LEAVERS HOUSING PROVISION SHELTERED ACCOMMODATION	477	298	119		894
CARE LEAVERS HOUSING PROVISION 16 -18YEAR OLDS			660		660
<b>LEARNING &amp; OPPORTUNITIES - CHILDREN &amp; YOUNG PEOPLE CAPITAL PROGRAMME</b>	<b>12,717</b>	<b>13,705</b>	<b>6,759</b>		<b>33,181</b>

<b>LEARNING &amp; OPPORTUNITIES - CHILDREN &amp; YOUNG PEOPLE CAPITAL SOURCES OF FUNDING</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
					<b>£'000s</b>
GRANTS & CONTRIBUTIONS	12,240	12,607	5,980		30,827
CAPITAL RECEIPTS - GF	477	1,098	779		2,354
<b>TOTAL LEARNING &amp; OPPORTUNITIES - CHILDREN &amp; YOUNG PEOPLE PROGRAMME FUNDING</b>	<b>12,717</b>	<b>13,705</b>	<b>6,759</b>		<b>33,181</b>

**REGENERATION & ENVIRONMENT CAPITAL PROGRAMME 2019/20 TO 2022/23**

<b>CAPITAL INVESTMENT</b>	<b>2019/20 PROJECTION</b>	<b>2020/21 PROJECTION</b>	<b>2021/22 PROJECTION</b>	<b>2022/23 PROJECTION</b>	<b>FOUR YEAR PROGRAMME TOTAL</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
<b>DEVELOPMENT</b>	<b>74,824</b>	<b>39,414</b>	<b>27,698</b>	<b>25,890</b>	<b>167,826</b>
<b>INFRASTRUCTURE &amp; MAJOR PROJECTS</b>	<b>45,445</b>	<b>12,068</b>	<b>1,500</b>		<b>59,013</b>
<b>URBAN CENTRE</b>					
URBAN CENTRE DONCASTER MARKET Phase 2	1,488	4,512	1,500		7,500
URBAN CENTRE QUALITY STREETS	569				569
URBAN CENTRE ST SEPULCHRE GATE STATION FORECOURT	3,732				3,732
URBAN CENTRE ST SEPULCHRE GATE TRAFFORD WAY IMPROVEMENT	20				20
DONCASTER GROWING TOGETHER TOWN CENTRE FWAY ENHANCEMENT	61	62			123
DGT TOWN CENT WELCOME WAYFIND	220				220
SCOT LANE ACQUISITIONS	953				953
URBAN CENTRE ST SEPULCHRE PHASE 3 OFFICE COMPLEX		1,600			1,600
<b>CCQ</b>					
CCQ CINEMA INFRASTRUCTURE & PUBLIC REALM	7,663	2,185			9,848
<b>OTHER</b>					
LAKESIDE 1 GENERAL	208				208
NEW CENTRAL LIBRARY AND MUSEUM	10,898	282			11,180
<b>TRANSPORT</b>					
DN7 HATFIELD LINK ROAD PROJECT	11,943	800			12,743
SCRIF-A630 WEST MOOR LINK	7,690	2,627			10,317
<b>STRATEGIC HOUSING</b>	<b>29,379</b>	<b>27,346</b>	<b>26,198</b>	<b>25,890</b>	<b>108,813</b>
VOIDS CAPITAL WORKS	2,550	2,550	2,550	2,550	10,200
MANAGEMENT FEE	1,500	1,500	1,500	1,500	6,000
<b>MECHANICAL &amp; ELECTRICAL</b>					
HEATING CONVERSIONS/UPGRADES	2,100	2,100	2,100	2,100	8,400
ELECTRICAL PLANNED WORKS	70	70	70	70	280
MECHANICAL PLANNED WORKS	250	120	120	120	610
LIFTS	20	160			180
INTERNAL WORKS	1,200	1,200	1,200	1,200	4,800
PLANNED WORKS FOLLOWING 20 YEARS SINCE DECENT HOMES WORK				7,000	7,000
<b>EXTERNAL WORKS</b>					
EXTERNAL PLANNED MAINTENANCE	5,786	4,600	4,600	4,600	19,586
STRUCTURAL	300	300	300	300	1,200
SPRINKLERS, SILVERWOOD LIFT & COMMUNALS	500				500
FIRE SAFETY WORKS	250	250	250	250	1,000
SHOPS/FLATS	265	200	200	200	865
COMMUNAL HALLS	180	100	100	100	480
COMMUNAL HALLS CONVERSIONS	1,000				1,000
THERMAL EFFICIENCY - ECO WORKS	1,800	1,800	1,800	1,800	7,200
<b>ENVIRONMENTAL WORKS</b>					
ENVIRONMENTAL / FENCING PROGRAMME	860	400	400	400	2,060
ASBESTOS SURVEYS & REMOVAL	800	800	800	800	3,200
GARAGE SITE IMPROVEMENTS	400	400	400	400	1,600
ESTATE ROADS & PATHS	300	200	200	200	900
IT SYSTEMS/INVESTMENT	800				800
REPLACEMENT STAIRLIFTS					
EMPTY HOMES ACQUISITIONS/BUY BACKS	600	300	300	300	1,500
COUNCIL HOUSE BUILDING PROGRAMME (COMMITTED)	1,716				1,716
COUNCIL HOUSE BUILDING PROGRAMME (NOT YET COMMITTED)	5,126	8,166	7,308		20,600
AFFORDABLE HOUSING GOODISON BOULEVARD	30				30
LANDLORD GRANTS	76				76
RESIDENTIAL SITES INVESTMENT NEEDS	900	400	400	400	2,100
HOUSING INVESTMENT		1,730	1,600	1,600	4,930
<b>ENVIRONMENT</b>	<b>7,572</b>	<b>5,294</b>	<b>50</b>	<b>50</b>	<b>12,966</b>
<b>DEVELOPMENT &amp; COMMISSIONING - TRANSPORT &amp; MAINTENANCE</b>	<b>7,188</b>	<b>4,910</b>			<b>12,098</b>
C307 JUBILEE BRIDGE FERRY ROAD	400				400
MAINTENANCE BLOCK	4,910	4,910			9,820
SYKEHOUSE SLOPE STABILIZATION	400				400
MAINTENANCE BLOCK CARRY FORWARD	1,478				1,478
<b>STREET SCENE &amp; HIGHWAYS OPERATIONS</b>	<b>334</b>	<b>334</b>			<b>668</b>
STREET LIGHTING IMPROVEMENT PROGRAMME	334	334			668
<b>REGULATION &amp; ENFORCEMENT</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>200</b>
REPLACEMENT OF DETERIORATING AIR QUALITY MONITORING STATIONS (AQMSS).	50	50	50	50	200

**REGENERATION & ENVIRONMENT CAPITAL PROGRAMME 2019/20 TO 2022/23**

<b>CAPITAL INVESTMENT</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
<b>TRADING &amp; ASSETS</b>	<b>12,885</b>	<b>2,656</b>	<b>447</b>	<b>418</b>	<b>16,406</b>
<b>MARKETS</b>	<b>320</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>1,370</b>
CORN EXCH & FOOD HALL ROOF REPAIR	320				320
MARKETS SCHEDULED MAINTENANCE		350	350	350	1,050
<b>BEREAVEMENT SERVICES</b>	<b>118</b>	<b>13</b>			<b>131</b>
GRAVEYARD BOUNDARY WALLS	48	13			61
SANCTUM/CREMATORIUM DECORATING	70				70
<b>FLEET TRANSPORT</b>	<b>6,308</b>	<b>708</b>			<b>7,016</b>
2 YEAR FLEET/PLANT REPLACEMENT	6,308	708			7,016
<b>STATUTORY PLANNED MAINTENANCE</b>	<b>1,150</b>	<b>585</b>	<b>97</b>	<b>13</b>	<b>1,845</b>
RETAINED PUBLIC BUILDINGS INVESTMENT PROGRAMME	1,150	585	97	13	1,845
<b>METROCLEAN</b>	<b>55</b>			<b>55</b>	<b>110</b>
CLEANING EQUIPMENT PROGRAMME	55			55	110
<b>CORPORATE LANDLORD</b>	<b>4,934</b>	<b>1,000</b>			<b>5,934</b>
HOLMESCARR CENTRE SECURITY IMPROVEMENTS	45				45
COLONNADES UNDERGROUND CAR PARK	70				70
PROPERTY INVESTMENT FUND	690				690
STRATEGIC ACQUISITION FUND	4,000	1,000			5,000
BLUE BUILDING DILAPIDATION WORKS	96				96
ELECTRIC VEHICLE CHARGING INFRASTRUCTURE	33				33
<b>REGENERATION &amp; ENVIRONMENT CAPITAL PROGRAMME</b>	<b>95,281</b>	<b>47,364</b>	<b>28,195</b>	<b>26,358</b>	<b>197,198</b>

<b>REGENERATION &amp; ENVIRONMENT CAPITAL SOURCES OF FUNDING</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>FOUR YEAR</b>
	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROJECTION</b>	<b>PROGRAMME</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>TOTAL</b>
CAPITAL RECEIPTS - GF	11,217	2,426	497	1,268	15,408
GRANTS & CONTRIBUTIONS	31,575	13,549	1,472	-28	46,568
BORROWING	23,311	4,043	28	-772	26,610
REVENUE CONTRIBUTION - GENERAL FUND	3				3
REVENUE CONTRIBUTION - HRA	6,828	5,887	6,970	7,605	27,290
USABLE CAPITAL RECEIPTS (HOUSING)	6,965	3,130	2,000	2,000	14,095
MAJOR REPAIRS RESERVE (HOUSING)	15,382	18,329	17,228	16,285	67,224
<b>TOTAL REGENERATION &amp; ENVIRONMENT CAPITAL PROGRAMME</b>	<b>95,281</b>	<b>47,364</b>	<b>28,195</b>	<b>26,358</b>	<b>197,198</b>

## **New Proposals to the Capital Programme**

2019/20 values are listed first and four year programme total values in brackets.

Some inclusions are funded by capital receipts and to identify them they are allocated a CR reference in addition to the Directorate specific reference.

### **Corporate Resources**

#### CR04 CORPRES 01 Voting and Conference System, Audio and Visual Recording Upgrade £0.07m

To upgrade the voting and conference system as well as the audio visual recording system in the Council Chamber. The upgrade will use HDMI technology making the system more reliable and compatible with new technology.

Council Priorities met: Connected Council

#### CR05 CORPRES 02 VM Ware £0.25m

A Capital Bid was agreed in 2016 to replace the existing corporate servers hosting the DMBC virtual servers in 2019/2020. We are reducing the amount of hardware we need but the cost has increased, as has capacity requirements. It is estimated that 95% of DMBCs ICT services are hosted within this virtual environment. With the demand of additional capacity, that was unknown at the time, such as the Integrated People System and the increased cost of Oracle licencing, this Capital Bid is to fund the additional hardware to meet these and future demands. We are sweating the existing asset so that we can co-term the whole VMWare estate refresh, which will give us a more robust and sustainable solution moving forward. Expansion and growth rates (with a capacity planning tool implemented in Jan 18) combined with the list of project priorities approved by Directors indicates that the Council must upgrade ahead of time in order to deliver new projects e.g. new virtual servers for projects such as DIPS, Revs and Bens, Collaboration, Office 365, VOIP etc.

Council Priorities met: Connected Council

#### CR06 CORPRES 03 Desktop Refresh £0.47m (£0.87m)

There is a critical requirement for Windows10 operating system to be implemented across the ICT estate due to the impending risk from Microsoft of the lack of support / withdrawal of support for Windows7 within the next 15 months (Oct '18 to Jan '20). A desktop refresh programme is required and associated funding to ensure the Council invests in our future new technology to support new software requirements, plus supporting the Council's aim for a more agile and flexible workforce. An up to date ICT asset estate (desktops, laptops, tablets) is essential to be able to achieve this. Aged hardware wouldn't be able to operate with Windows10.

Council Priorities met: Connected Council

#### CR07 CORPRES 04 Physical Server Migration £0.09m (£0.17m)

The Capital Bid is to refresh and upgrade end of life ICT server hardware.

ICT server hardware has a general life expectancy of approximately 5 years, after that time the chance of failure increases significantly, and the probability of performance issues and services outages greatly increases. VMWare is appropriate for most of the server estate, however, there are niche applications that still require physical hardware (these are being phased out where possible) but we need to replace the current physical server hardware due to age and future support lifecycles. There has been a previous bid for Capital (Q1416) that was approved. This bid was made in 2016/17 and was for £80,000 covering year 2019/20 and 2020/21. The figure was requested using the existing server estate and estimated growth at the time. This is an additional capital bid to cover the actual current 2008 and 2012 server estate.

Council Priorities met: Connected Council

CR08 CORPRES 05 Flexible Use of Capital Receipts £3.0m (£6.0m)

Use of capital receipts to fund revenue schemes that will result in budget savings

Council Priorities met: Connected Council

**Learning and Opportunities – Children and Young People Programme**

LOCYP 01 Capital Condition Programme £1.3m

The project delivers the planned maintenance programme across all the maintained community schools as detailed with the attached appendix (not academies or LCVAP), current focus on mechanical (new heating & water tanks), electrical (mains upgrades) and fabric (windows, external cladding and drainage).

Council Priorities met: Doncaster Living, Doncaster Learning

CR09 LOCYP 02 Acquisition of Land at Armthorpe Academy (£0.8m)

Armthorpe Academy have been provided with funding from the ESFA to rebuild the majority of the school estate based on a recent condition assessment. The investment will include a new teaching block, dining room facilities, sports hall and changing rooms and is scheduled to open in Autumn 2019. The funding does not include redevelopment of the ancillary teaching areas.

Armthorpe Academy is part of the Consilium Multi Academy Trust which has identified an area of the site that is surplus to requirements. The Trust wishes to sell the land in order to invest in further development of the site.

The area of Land has been valued by the District Valuer for a cleared site allocated for residential use is £800,000

The funding will only be available for drawdown following agreement of the sale and will not be drawn down prior to.

A more detailed business case will be required before drawdown of any funding

Council Priorities met: Doncaster Living, Doncaster Learning

LOCYP 03 SEMH Provision and Alternative Provision £1.1m

A review of Doncaster Inclusion Services has identified two key areas requiring capital investment:-

- Rationalisation and partial refurbishment of current accommodation
- Establishment of new provision for pupils requiring Social Emotional and Mental Health Support.

The review included an assessment of current provision based at a number of buildings across the Borough including

- Levett Upper
- Levett Lower
- Maple Medical
- Old Hall
- Learning Centres

A future vision established the overall strategic intent for the service in line with the strategic intent already published within the Behaviour Transformation Programme cabinet report (May 2017) to provide for pupils at 4 distinct levels and a new provision for SEMH. These will support the new provisions through Big Picture Learning and The Bader School with a focus on high functioning autism.

The detailed review assessed current provision, the location of its services and delivery model. The review has identified a need to consolidate current provision and gaps in provision for specific needs, particularly for children with Social Emotional and Mental Health (SEMH) needs which are accommodated across a range of services.

The capital proposal presents Doncaster Council with an opportunity to rationalise its current inclusion provision placing a number of services in buildings fit for purpose. Council Priorities met: Doncaster Learning

**Adults Health and Wellbeing**CR01 AHWB 01 Heritage Asset Improvements £0.28m (£0.36m)

Bid to carry out maintenance and improvement works on heritage assets. This will include an extension of the tarmac pathways at Cusworth Hall on the west side of the Park, required improvements and maintenance within the Hall and fire safety improvements at the Chequer Road museum.

A more detailed business case will be required before drawdown of any funding

Council Priorities met: Doncaster Living

CR02 AHWB 02 Leisure Facility 'Accelerated' Investment £0.3m (£10m)

The aim of the scheme is to accelerate investment and complete as much of the '10 year condition survey work' as possible (including the modular pools) within a 3-4

year period beginning in 2019. It is believed that in total £15m is required to complete all work with further work to be carried out to establish the exact needs

The £10m being applied for within this bid will ensure the completion of the modular pools at Campsmount and Rossington, with the remaining amount to be used to address '10 year condition survey work' across the other 6 leisure facilities. Options will be explored to determine whether further '10 year condition survey work' can be completed through other funding streams.

A more detailed business case will be required before drawdown of any funding

Council Priorities met: Doncaster Living, Connected Council

### **Regeneration and Environment Programme**

#### CR11 R&E 01 Electric Vehicle Charging Infrastructure £0.03m

To prepare the charging (fuel) infrastructure for the introduction (Council owned) and roll out (by the Council and public) of electric vehicles (EVs). To install EV charge points in key locations for use by the Council and the public.

Council Priorities met: Doncaster Living, Connected Council

#### CR12 R&E 02 Retained Public Buildings Investment Programme £0.63m (£0.95m)

To carry out all essential repairs and improvements in Council occupied sites to provide safe working environments. Includes bids for improvements to Adwick Town Hall and Mary Woollett Centre kitchen.

Council Priorities met: Doncaster Living, Connected Council

#### CR14 R&E 03 Metro Clean - Cleaning Equipment Programme £0.05m (£0.11m)

To purchase various Cleaning Equipment (Vacuum Cleaners, Carpet Cleaners, Scrubber Driers) to replace existing equipment which is no longer fit for purpose, is resulting in reduced productivity and increased maintenance/repair costs.

Council Priorities met: Doncaster Working, Connected Council

#### CR15 R&E 04 Redecoration of the Crematorium and development of new Sanctum area £0.07m

Redecoration of the crematorium public areas (Chapel, corridor, entrance lobby, exit and waiting room). The scope of the scheme would consist of painting, wallpaper, carpets and soft furnishings.

Development of a new Sanctum area for above ground storage of ashes and memorialisation. This is proposed for land under the trees, adjacent the main car park. This area would not be suitable for graves and so is effectively "spare". Being in such a convenient and highly visible area this will also attract sales volumes and command maximum income prices.

Council Priorities met: Connected Council



CR16 R&E 05 Blue Building Dilapidation Works £0.09m

The Blue Building was leased to DMBC for 15 years from 30th April 2004. DCST moved into the building in 2013. The lease expires 29th April 2019. As part of the asset rationalisation programme, DCST have now moved into Colonnades House. There is no identified requirement for ongoing service occupation to justify the negotiation of a new lease term and ongoing revenue expenditure can be saved by handing the building back to Lazarus.

As a condition of the lease the building must be handed back in good repair and condition. Landlord and Tenant Law allows for the landlord to serve upon the tenant (DMBC) a 'terminal schedule of dilapidations' which accounts for all works required. The tenant is then obliged to either carry out these works or negotiate a financial payment for their equivalent cost (Dilapidations).

The Council has undertaken its own building survey of the property and on the basis of the repairing obligations in the lease the anticipated dilapidations cost is circa £95,500

A more detailed business case will be required before drawdown of any funding

Council Priorities met: Doncaster Living, Connected Council

CR17 R&E 06 Colonnades Underground Car Park £0.07m

Upgrade of existing 95 space car park for entry and exit infrastructure to provide;

- 1) Renewal of the Existing Ramp Roller Shutter & provide Staff Card Access Controls.
- 2) Renewal of the proposed Staff Access Door with Card Access, Decoration of Stair well and Lighting.
- 3) Alteration / Renewal to the Fire Doors & create Foyer for safer Pedestrian access to Car Park & Decoration.

The proposed works will allow;

- 'out of hours' operation by users
- Reduction in FM & Metroclean resourcing
- Mitigation of ongoing risk of anti-social behaviour and assault of staff members and risk to users
- Opportunities for improved revenue generation from the asset

Council Priorities met: Doncaster Living, Connected Council

CR18 R&E 07 Markets Scheduled Maintenance (£1.05m)

£1.05m over three years from 2020/21 for external and internal works to the structure of the market buildings which will be complemented by investment in and around the market estate.

Council Priorities met: Doncaster Working, Doncaster Living

R&E 8 Integrated Transport Block £1.3m

Doncaster is allocated funding (via SCR Combined Authority) from the Department for Transport on a formula basis. Monitoring arrangements exist to ensure that this allocation meets Local Transport Plan objectives. Failure to demonstrate progress on the outputs and outcomes may jeopardise future funding and performance ratings (e.g. National Indicators on congestion and road safety), so it is essential that funding is maintained within the Council's Transport Capital programme.

The Integrated Transport Block is split into a number of generic themes (such as local safety schemes) from which a detailed programme of schemes is taken forward for implementation. The detailed programme is derived from a prioritisation process for each block (e.g. safety schemes respond to accident trends). Where practical, schemes are co-ordinated to ensure value for money.

Future year budgets are indicative at this stage and the budget is allocated to projects on an annual programme setting process.

	£
<b>Safer Roads</b>	
Safer Communities – Borough wide	100,000
Residential Area Speed Limits	100,000
Targeted casualty reduction scheme	100,000
	<b>300,000</b>
<b>Network Management</b>	
Traffic Management Measures – Borough wide`	90,000
Direction Signing – Borough wide	60,000
Enhancements	60,000
Variable Message Signs	25,000
CCTV	35,000
	<b>270,000</b>
<b>Cycling</b>	
Cycling Infrastructure	180,000
Cycle Parking	20,000
	<b>200,000</b>
<b>Sustainable Choices</b>	
Dropped Crossings	40,000
Footways 19-20	40,000
Active Travel Communities Project	20,000
Travelwise Commuter Plan	20,000
Doncaster Bus Partnership Infrastructure/ Activities	60,000
Minor Works Package/ Monitoring	100,000
	<b>280,000</b>
<b>Major Schemes</b>	
West Moor Link	300,000
	<b>300,000</b>
<b>IT Total</b>	<b>1,350,000</b>

Council Priorities met: Doncaster Working, Doncaster Living, Doncaster Caring, Connected Council

R&E 09 2019/20 Highways and Bridges Maintenance - Department for Transport Capital Funding Allocations. £4.91m

The DfT LTP Highways Capital Maintenance Block funding allocation supports the ongoing permanent repair and structural maintenance of all of the adopted highway assets, these include split funding allocations to:

- Carriageways and footways including some drainage assets (84%)
- Street Lighting (2%)
- Bridges, retaining walls and other highways structures (14%)

In 2019/20 it has been determined that the funds will again be pass-ported through the South Yorkshire Passenger Transport Executive/ Sheffield City Region Strategic Transport Group and for the LTP Team to assess that the proposed schemes are in line with the strategic and partnership objectives.

The sums quoted below include the incentive element from the DfT which we will only receive if we can demonstrate good asset management principles and processes in maintaining, prioritising, operating and governance of our Highways assets.

The total value of the DfT LTP Highways Capital Maintenance Block funding allocation is:

Core Highway Maintenance Needs Element = £4,064k

Additional Incentive Element (assume Band 3 @ 100%) = £846k (estimated)

Council Priorities met: Doncaster Working, Doncaster Living, Doncaster Caring, Connected Council

Ref for New Bids	Project name	Project Details	Spend Profile				
			2019/20	2020/21	2021/22	2022/23	Total Four Year Programme
<b>Section 3a - Approved Committed Projects - Capital Receipts</b>							
<b>Adults, Health and Well-Being</b>							
	Doncaster Cultural & Leisure Trust	Funding for proposed capital expenditure requirements over the programme to enable centres to be 'fit for purpose'	1,000	1,000			2,000
<b>Sub Total - Adults, Health and Well-Being</b>			<b>1,000</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
<b>Corporate Resources</b>							
	New Email Platform		150				150
	ICT Desktop & Mobile Device Upgrade	To implement an ICT solution to accurately manage the Council's mobile assets, identifying location, licences and the ability to remotely wipe data from lost or stolen devices. This bid is in addition to the existing capital programme.  To also ensure Council staff are using the latest desktop and mobile devices and have the ability to securely connect and access Council systems when working remotely. This allows staff to be able to work more mobile and agile.		220			220
	ICT Corporate Storage	The current ICT Corporate Storage (SAN) infrastructure which includes physical servers, storage disks and various other hardware at both the Civic Office and the Colonnades (cross-site resilience) will be five years old in 2018/19, the hardware will no longer be under support by the vendors as it is end of life and therefore will need replacing. This capital bid is to replace the aging unsupported hardware in 2018/19 and to addresses any potential lack of expansion capacity moving forward.		100			100
	Doncaster Integrated People Solution (DIPS)	Replacement of a number of childrens and adults related IT systems with one integrated solution	908	111			1,019
	Financial Systems (ERP) Upgrade & Enhancements	Upgrades and enhancements will be required to ensure that ERP meets service requirements	170				170
<b>Sub Total - Corporate resources</b>			<b>1,228</b>	<b>431</b>	<b>0</b>	<b>0</b>	<b>1,659</b>
<b>Regeneration and Environment</b>							
	Corn Exchange Roof & Façade	The scheme will refurbish the roof and external façade of the Corn Exchange.	320				320
	Retained Public Buildings Investment Programme	Investment to address condition related projects to ensure buildings remain fit for purpose, operation and safe	520	305			825
	Street Lighting Improvement Programme	Existing street lamps are being replaced with new LED (Light Emitting Diode) lamps which will result in better quality lighting, a reduced carbon footprint and financial savings.	334	334			668
	2 Year Fleet/Plant Replacement Programme	Programme to replace the Council's vehicles and plant. Capital receipts used will be generated through vehicle sales	333	35			368
	Graveyard Boundary Walls	Repair work is required at various closed and current graveyards across the borough to prevent further damage to walls and risk of accidents as the sections of wall requiring attention get worse.  The work across the different sites has been profiled across the years according to the risk of further damage. Some small repairs may be required from revenue to make collapsed sections safe.	48	13			61
	Lakeside 1 General	Amount to be paid if Plot 6 Lakeside is sold	208				208
	DN7 Hatfield Link Road Project		650				650
	Unfinanced Schemes from previous years	Payment of capital schemes previously left unfinanced, this will replace the use of borrowing.	2,299				2,299
<b>Sub Total - Regeneration and Environment</b>			<b>4,712</b>	<b>687</b>	<b>0</b>	<b>0</b>	<b>5,399</b>
<b>Total Section 3a - Approved Committed Schemes - Capital Receipts</b>			<b>6,940</b>	<b>2,118</b>	<b>0</b>	<b>0</b>	<b>9,058</b>

Ref for New Bids	Project name	Project Details	Spend Profile				
			2019/20	2020/21	2021/22	2022/23	Total Four Year Programme
<b>Section 3b - Approved Un-Committed Projects - Capital Receipts</b>							
<b>Adults, Health and Well-Being</b>							
	Community Infrastructure - supporting Customer journey CLS	The proposal is to integrate 3 tiers of 'Your Life Local' into communities throughout the borough. We will develop the approach incrementally and proportionately using the learning from each area so the model can evolve organically. Ultimately a 'hub and spoke' type model will be in place, that is led and run by the community alongside key partners, meaning only limited resource from DMBC is required to oversee and co-ordinate activity.	295				295
<b>Sub Total - Finance and Corporate Services</b>			<b>295</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>295</b>
<b>Corporate Resources</b>							
	Council Wide Systems	To enable the replacement of key Council systems (in line with the ICT Strategy) together with the procurement of essential new systems, following consideration by the Council's ICT Governance Board. This will enable continued progress towards becoming a modern digital authority and ensure service delivery is not affected by the loss of or ageing technology.	572				572
	HR/Payroll System	Acquisition of a new HR system	132				132
	Networking	This bid covers a range of network related contracts that will be coming to an end in the coming years such as the corporate WAN contract, the Fixed/Mobile contract that includes the core Unified Communication Infrastructure and the Email and Web filtering devices. The bid also addresses the requirement to upgrade essential core network equipment, and to also do a feasibility study to see the viability to expand the existing Council owned Fibre infrastructure	380	140			520
	Physical Servers	ICT hardware has a general life expectancy of approximately five years, after that time the chance of failure increases significantly and the probability of performance issues and services outages greatly increases. This capital bid is to refresh and upgrade end of life ICT server hardware coming to the end of their five year cycle. This include 20 plus Terminal Servers used for Remote Desktop Access to run Council applications.	40	40			80
	Vmware (Virtual Servers)	Replace the existing corporate servers hosting DMBC virtual servers at the Civic Office and the Colonnades (cross-site resilience). We have around 450 virtual servers currently running on the 13 physical servers that need replacing (split between production services and disaster recovery services).  Physical servers require replacement every five years to stay within the support life cycles. This is an industry standard for all physical servers.  In simple terms the VMware technology allows 450 servers to share their resource and be consolidated down to 13 servers, hence 437 servers do not have to be purchased. This also provides full cross site resilience for the virtual servers, to protect them against the failure of physical equipment.	200				200
<b>Sub Total - Corporate Resources</b>			<b>1,324</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>1,504</b>
<b>Regeneration and Environment</b>							
	Sykehouse Slope Stabilisation	Slope Stabilisation projects, Sykehouse Road, West Lane and Rudgate Lane. The banks of the watercourse immediately adjacent to the carriageway have shown clear slip failures, which in turn has caused the carriageway to crack and also slip, causing significant depressions on the surface. If these failures are not repaired, it could progress to more significant failures which pose a serious safety risk to road users that could lead to closure. There are a number of services that are located within the slopes adjacent to the carriageways. These services include BT telephone cables, Yorkshire water mains and other unknown services, which could also be affected by the slope failures.	400				400
	Replacement of deteriorating Air Quality Monitoring Stations (AQMSs).	This bid is part of our continuous evidence gathering for the secretary of state, to prove that Doncaster air quality is below levels where further Government intervention maybe required across the borough. Furthermore, the units are used to provide daily air quality data to the public and also for joint working with the Public Health partnerships, in line with the Mayor's new Doncaster Growing Together 4 year strategy. The data obtained from the units was recently used to prove to DEFRA that the air quality linked to the St Georges Bridge "Clean Air Zone" investigation was below the required Air Quality Regulation Objectives (2000 as amended 2002).	50	50	50	50	200
	SCRIF - Urban Centre Quality Streets	Refurbishment of public realm and footways around Hallgate, Silver Street and Cleveland Street in the town centre, to complement three earlier phases of investment, and to support the town's evening economy offer (Corporate Resource element)	102				102

Ref for New Bids	Project name	Project Details	Spend Profile					
			2019/20	2020/21	2021/22	2022/23	Total Four Year Programme	
	Holmesarr Centre – Security Improvements	Essential Security improvement works to security access, crime detection, crime prevention at the Holmesarr Centre The improvement works will future proof the Holmesarr Centre as a valuable community asset and ensures that it is retained as an asset to Doncaster in line with the Asset Transformation Plan.	41					41
	Property Investment Fund	Create a fund to acquire property to generate a revenue income stream with a target return of 7% per annum	690					690
	Doncaster Growing Together – Town Centre Programme – Welcome & Wayfinding	Modernises and makes signage consistent and clear. It will create a new and welcoming feel to the town and arrival points. Improves welcome points and clarity of town centre offer for town centre visitors/users and directs people to key locations/zones. The existing system focuses on wayfinding only. When on street there is no promotion of places of interest nor is there any interpretive material to help you understand the Town's history or its current and future development. Works will include: replacement and rationalisation of existing street signage from key arrival points through the town centre to major assets, developments and historical assets.	220					220
	Strategic Acquisition Fund	To be used for the strategic acquisition of assets	4,000	1,000				5,000
Q1362	Doncaster Growing Together – Town Centre Programme –	levelling works, replace broken slabs and reparation to pointing on footways and pedestrian areas within the town centre.	61	62				123
<b>Sub Total - Regeneration and Environment</b>			<b>5,564</b>	<b>1,112</b>	<b>50</b>	<b>50</b>	<b>6,776</b>	
<b>Doncaster Children's Services Trust</b>								
	Care leavers Housing provision Sheltered accommodation	Construction of three, Care Leavers semi supported Housing for 16 to 18 year old homes. There is an estimated 82 children over the next two years to be reviewed, and potential placed in a new home, although around half will stay in foster care.	477	298	119			894
	Care leavers Housing provision 16-18 year olds	Acquisition of accommodation for 6, 16 to 18 year old care leavers homes.			660			660
<b>Sub Total - Doncaster Children's Services Trust</b>			<b>477</b>	<b>298</b>	<b>779</b>	<b>0</b>	<b>1,554</b>	
<b>Total Section 3b - Approved Un-Committed Schemes - Capital Receipts</b>			<b>7,660</b>	<b>1,590</b>	<b>829</b>	<b>50</b>	<b>10,129</b>	

Ref for New Bids	Project name	Project Details	Spend Profile				
			2019/20	2020/21	2021/22	2022/23	Total Four Year Programme

**Section 3c - New Requests for Approval - Capital Receipts****Adults, Health and Well-Being**

AHWB1	Heritage Asset Improvements	Includes the Bids to extend the tarmac pathways at Cusworth Hall on the west side of the Park. As well as funding to carry out required improvements and maintenance to heritage assets including within Cusworth Hall and fire safety works at Chequer Road museum. A more detailed business case will be required before drawdown of any funding	284	80	0		364
AHWB2	Leisure Facility 2020 'Accelerated' Investment	The aim of the scheme is to accelerate investment and complete as much of the '10 year condition survey work' as possible (including the modular pools) within a 3-4 year period. It is believed that in total £15m, is required to complete all work – this figure includes approximately £14.7m mentioned in the Capital 1 form (see appendix2) and approximately £400k to address any pressing issues that may arise at the facilities over the investment period. A more detailed business case will be required before drawdown of any funding	300	5,357	2,486	1,857	10,000
<b>Sub Total - Adults, Health and Well-Being</b>			<b>584</b>	<b>5,437</b>	<b>2,486</b>	<b>1,857</b>	<b>10,364</b>

**Corporate Resources**

CORP RES 1	Voting and Conference System, Audio and Visual Recording Upgrade	To upgrade the voting and conference system as well as the audio visual recording system in the Council Chamber. The upgrade will use HDMI technology making the system more reliable and compatible with new technology.	70				70
CORP RES 2	VM Ware	A Capital Bid was agreed in 2016 to replace the existing corporate servers hosting the DMBC virtual servers in 2019/2020. We are reducing the amount of hardware we need but the cost has increased, as has capacity requirements. It is estimated that 95% of DMBCs ICT services are hosted within this virtual environment. With the demand of additional capacity, that was unknown at the time, such as the Integrated People System and the increased cost of Oracle licencing, this Capital Bid is to fund the additional hardware to meet these and future demands. We are sweating the existing asset so that we can co-term the whole VMWare estate refresh, which will give us a more robust and sustainable solution moving forward. Expansion and growth rates (with a capacity planning tool implemented in Jan 18) combined with the list of project priorities approved by Directors indicates that the Council must upgrade ahead of time in order to deliver new projects e.g. new virtual servers for projects such as DIPS, Revs and Bens, Collaboration, Office 365, VOIP etc.	50				50
CORP RES 3	Desktop Refresh	There is a critical requirement for Windows10 operating system to be implemented across the ICT estate due to the impending risk from Microsoft of the lack of support / withdrawal of support for Windows7 within the next 15 months (Oct '18 to Jan '20). A desktop refresh programme is required and associated funding to ensure the Council invests in our future new technology to support new software requirements, plus supporting the Council's aim for a more agile and flexible workforce. An up to date ICT asset estate (desktops, laptops, tablets) is essential to be able to achieve this. Aged hardware wouldn't be able to operate with Windows10.	370	80			450
CORP RES 4	Physical Server Migration	The Capital Bid is to refresh and upgrade end of life ICT server hardware.	47	43			90
CORP RES 5	Flexible Use of Capital Receipts	Use of capital receipts to fund revenue schemes that will result in budget savings	3,000	3,000			6,000
<b>Sub Total - Corporate Resources</b>			<b>3,537</b>	<b>3,123</b>	<b>0</b>	<b>0</b>	<b>6,660</b>

**Learning & Opportunities - Children & Young People**

LOCYP 3	Acquisition of Land at Armthorpe Academy	Armthorpe Academy is part of the Consilium Multi Academy Trust which has identified an area of the site that is surplus to requirements. The Trust wishes to sell the land in order to invest in further development of the site. This scheme will not proceed until the external sale of the surplus land with the receipt generated to be used to fund the scheme.		800			800
<b>Sub Total - Learning &amp; Opportunities - Children &amp; Young People</b>			<b>0</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>800</b>

**Regeneration and Environment**

R&E 1	Electric Vehicle Charging Infrastructure	To prepare the charging (fuel) infrastructure for the introduction (Council owned) and roll out (by the Council and public) of electric vehicles (EVs). To install EV charge points in key locations for use by the Council and the public.	30				30
R&E 2	Retained Public Buildings Investment Programme	Investment to address condition related projects to ensure buildings remain fit for purpose, operation and safe	630	277	96	13	1,016
R&E 3	Metro Clean - Cleaning Equipment Programme	To purchase various Cleaning Equipment (Vacuum Cleaners, Carpet Cleaners, Scrubber Driers) to replace existing equipment which is no longer fit for purpose, is resulting in reduced productivity and increased maintenance/repair costs	55			55	110
R&E 4	Redecoration of the Crematorium and development of new Sanctum area	Redecoration of the crematorium public areas (Chapel, corridor, entrance lobby, exit and waiting room). The scope of the scheme would consist of painting, wallpaper, carpets and soft furnishings.	70				70

Ref for New Bids	Project name	Project Details
R&E 5	Blue Building Dilapidation Works	Work to bring the Blue Building back up to required standards as per lease agreement. A more detailed business case will be required before drawdown of any funding
R&E 6	Colonnades Underground Car Park	Upgrade of existing car park entry and exit infrastructure
R&E 7	Markets Scheduled Maintenance	Maintenance requirements at the the market
	DN7 Hatfield Link Road Project	
<b>Sub Total - Regeneration and Environment</b>		

**Total Section 3c - New Requests for Approval - Capital Receipts**

**Total Capital Receipts Required**

Spend Profile				
2019/20	2020/21	2021/22	2022/23	Total Four Year Programme
96				96
60				60
	350	350	350	1,050
			800	800
<b>941</b>	<b>627</b>	<b>446</b>	<b>1,218</b>	<b>3,232</b>
<b>5,062</b>	<b>9,987</b>	<b>2,932</b>	<b>3,075</b>	<b>21,056</b>
<b>19,662</b>	<b>13,695</b>	<b>3,761</b>	<b>3,125</b>	<b>40,243</b>





## Doncaster Council

Date: 4<sup>th</sup> March, 2019

To the Chair and Members of  
**COUNCIL**

### Housing Revenue Account Budget 2019/20

#### EXECUTIVE SUMMARY

1. This report sets out the Mayor's proposals for the 2019/20 Housing Revenue Account (HRA) Budget. The report focuses on the following key areas:-
  - the level of the Council's housing rents for 2019/20; the current average rent is £70.10 per week which is the lowest within South Yorkshire, rents will decrease by 1% for 2019/20;
  - the Housing Revenue Account (HRA) budget proposals for 2019/20;
  - the medium term financial forecast for the HRA which includes estimated budgets for 2020/21, 2021/22 and 2022/23; the HRA budget follows the budget strategy as set out in previous years and maintains a reserve of £4.0m within the HRA, the budget for 2019/20 is a balanced budget (income equals expenditure); and
  - the level of fees and charges for 2019/20 as detailed in paragraph 13.

#### EXEMPT REPORT

2. Not applicable.

#### RECOMMENDATIONS

3. Council is asked to approve the Housing Revenue Account budget proposals as set out in this report and including:-
  - i. Rents are reduced from 1st April 2019, by 1.0% as detailed in paragraphs 7 to 10 in line with Government policy. This will result in an average weekly rent decrease of £0.70, resulting in an average rent of approximately £69.40 per week. Rents will be charged every week of the year.
  - ii. The budget proposals for the HRA for 2019/20, which are contained in Appendix A. These proposals set a balanced budget for the HRA and maintain a reserve of £4.0m;
  - iii. Fees and charges set out in paragraph 13.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The Council provides housing to over 20,000 residents through the housing stock within the HRA. The majority of these properties are let at social rents which are currently the lowest within South Yorkshire and they will continue to be after this decrease. The proposals within this report mean that the existing tenants of these properties will pay lower rents in 2019/20. Reducing the rents does not prevent the Council from continuing to provide quality social housing maintained to the Doncaster decency standard but significantly reduces the number of new properties which will be built in the future in order to provide additional accommodation for those in need of social housing.

## BACKGROUND

5. The Housing Revenue Account budget for 2018/19 was approved on 5th March 2018. Since then the regular financial management reports to Cabinet have provided the latest projections of the 2018/19 financial position.

The underlying principles for HRA budgets had been agreed in previous years,

- that rents would remain at affordable levels;
- where properties are relet it is at target rent; and
- that surplus resources within the HRA would be used to provide additional council housing, either new build or acquisitions.

This would have continued if it had not been for the announcements in the Government's Summer Budget, 8<sup>th</sup> July, 2015. The major change which was implemented in 2016/17 was a 1% rent reduction for four years, from 2016/17 to 2019/20.

## BUDGET PROPOSALS 2019/20

6. The Budget proposals for 2019/20 are shown in detail at Appendix A. The key features are as follows:-
  - a) A reduction in rents of 1.0% with effect from 1<sup>st</sup> April, 2019 (see paragraphs 7 to 10 for more details);
  - b) Dwelling rent income is expected to be £0.536m lower at £71.778m due to the effect of the rent reduction and the projected number of Right to Buy sales, new build properties, acquisitions and void (empty) properties;
  - c) As and when properties become empty they will be advertised and relet at target rent (see paragraph 11 for definitions of rent) minus 1.0% (2016/17 reduction) minus a further 1% (2017/18 reduction), minus a further 1% (2018/19 reduction) and a further 1% (2019/20 reduction) based on target rent calculations as at July 2015.
  - d) The majority of HRA services are provided by St. Leger Homes of Doncaster (SLHD). The management fee paid to SLHD is increased by £1.563m to reflect increases in salaries (pay award), increased employer pension costs, inflationary increases, legislation and technology changes. Efficiency savings have been made from within SLHD to fund the additional costs of services required to collect rent and sustain tenancies following the rollout of full service

for universal credit on 11 October 2017. It is estimated that when universal credit is fully rolled out in 2021 7,500 tenants will be affected and an additional £24.0m of rent income will need to be collected which was previously paid directly to the HRA from housing benefit. The details of the SLHD management fee calculations are shown at Appendix B. The management fee paid from the HRA for 2019/20 is £30.801m;

- e) It is estimated that the cost of the additional resources required to collect the rent and sustain tenancies following the full rollout of universal credit is £0.5m, SLHD are required to find efficiencies and savings to fund these additional costs over the three year period 2018/19 to 2020/21. In 2019/20 £0.480m of further efficiencies and savings have been identified and reinvested into the tenancy sustainment team, improving customer services and the delivery of a new IT system;
- f) There is a budget of £0.411m within the HRA to assist tenants to deal with changes as a result of welfare benefit reform. The sustainable tenancy policy was reviewed in August 2017 and both the usage and the policy are being kept under review as further changes to welfare benefits are rolled out;
- g) The number of Right to Buy sales continues to be monitored and total sales to the 31st December 2018 were 87 giving an average of 2.18 sales per week (compared to 3.23 per week as of December 2017). A projected level of 175 sales, 102 new build and/or acquisitions and a void rent loss percentage of 1.25% have been used for calculating the rental income budget for 2019/20;
- h) Housing Subsidy (the historic Government grant system for the HRA) was abolished with effect from 1 April 2012 and the HRA became self-financing. A self-financing HRA needs to fund both its revenue services and deliver the investment/capital programme from rent income;
- i) Following the introduction of self-financing for the HRA a longer term view (30 years) is taken on HRA budgets to ensure that there is sufficient funding available in future years to maintain the properties at the Doncaster decency standard, deliver other investment needs and day to day services;
- j) A prudent level of balances for the HRA is considered to be £4.0m. Any surplus funds in excess of this, £2.212m, has been transferred to the housing public sector capital programme to fund investment in the housing stock and the programme for building more council houses.

A balanced budget will be set for 2019/20. This will maintain an estimated reserve within the HRA of £4.0m by 31 March 2020.

## **RENT LEVELS**

7. On 8<sup>th</sup> July, 2015 the Government held a Summer Budget and announced in that Budget that all social housing rents would reduce by 1% a year for the next four years from 2016/17 to 2019/20. This announcement is being forced upon Local Authorities through the Welfare Reform and Work Act 2016. Over the four year period 2016/17 to 2019/20 there will be £25.9m less resources available compared to the previously budgeted figures and over the 30 year business plan there will be £310m less resources available.

8. Previous assumptions in the 30 year business plan were that any resources in excess of the minimum level of balances required would be invested into the capital programme, these excess resources were estimated at £310m and the majority of these resources would have been invested in new build council houses and these houses would have generated additional rent income. Therefore the total estimated reduction in resources available over a 30 year period is £457m.
9. Rents in Doncaster are the lowest of all South Yorkshire Councils based on the 2015/16 financial year (according to the latest published figures from CIPFA, Chartered Institute of Public Finance and Accountancy).
10. There are five different ways in which rents will change during 2019/20, (different types of rents are defined in paragraph 11);

**Existing tenants (social rent)** – rent will be reduced by 1%;

**New tenants into existing (social rent) housing stock** – if the tenancy changes during 2019/20 the property will be relet at the 2015/16 target rent for that property minus 1% (2016/17 reduction), minus a further 1% (2017/18 reduction), minus a further 1% (2018/19 reduction) and minus a further 1% (2019/20 reduction);

**New council housing, either new build or acquisitions (funded wholly from Council resources, social rent)** – when new properties are completed the target rent will be calculated for each property and then adjusted for minus 1% (2016/17 reduction), a further 1% (2017/18 reduction), a further 1% (2018/19 reduction) and a further 1% (2019/20 reduction);

**New council housing, either new build or acquisitions (funded with an element of Government grant, affordable rent)** – when new properties are handed over both the target rent and affordable rent will be calculated for these properties, the rent charged will be the higher of the two figures (this is a condition of the grant funding) and

**Existing affordable rent properties** – the rent will be reduced by 1% for existing tenants. If there is a change of tenancy a new affordable rent calculation will be carried out and the new rent will be the affordable rent (1% reductions are not required).

## RENT DEFINITIONS

11. Target rent (sometimes referred to as formula rent) for each property is calculated using the following formula;
  - 70% of the national average rent (April 2000) multiplied by relative county earnings (1999 levels) multiplied by a bedroom weighting (higher weighting for larger properties) plus 30% of the national average rent (April 2000) multiplied by relative property value (January 1999).

This calculation gives a target rent figure for the financial year 2000/01. It has then been updated each year by retail price index (RPI) inflation plus 0.5% up until 2014/15. In 2015/16 the target rent was increased by consumer price index (CPI) plus 1% (2.2%), the average target rent in Doncaster for 2015/16 was £75.26 per week. The target rent figure for 2015/16 is the base figure used for calculating target rent in future years. The 2016/17 target rent figure (£74.65 per week) is 2015/16

minus 1%, the 2017/18 figure (£73.91 per week) is reduced by a further 1%, the 2018/19 figure (£73.17 per week) is reduced by a further 1% and the 2019/20 figure is reduced by a further 1% (£72.44 per week).

12. Affordable rents – Affordable rent is defined as 80% of open market rent. These figures are calculated on an individual basis for each property by a qualified surveyor. A number of properties which are now in the HRA have either been built or acquired with the assistance of some grant funding from the Homes and Communities Agency (HCA). One of the grant conditions for these properties is that they are let at affordable rents (or target rent if that is higher). The current average rent for these tenancies is £92.61 per week and this will reduce to £91.68 per week in 2019/20.

## **FEES AND CHARGES**

13. The following recommendations are proposed in respect of fees and charges for 2019/20:-

- a) That the charges for garages and garage sites are increased by 3.0%.
- b) The bio mass district heating boiler at Ennerdale provides heating and hot water to the bungalows at Ennerdale and the properties in Jubilee Court. The current charge for heating at this scheme is 5.8p per unit (plus VAT). The charges for heating should ensure that the scheme breaks even, it is therefore recommended that the charges are increased to 6.0p per unit (plus VAT) a 3.4% increase. The average annual charge for these properties is £311.
- c) The district heating charge for properties on the Balby Bridge estate will increase to 6.3p per unit (inclusive of VAT) which is equivalent to 6.0p per unit plus VAT. The average annual charge for these properties is £201.
- d) 40 properties at Milton Court do not have individual meters, the current charge is either £6.40 (bedsits) or £6.50 (one bedroom) per property per week and will also increase by 3.4% to £6.62 and £6.72 per week.
- e) The current enclosed garden charge is between £2.51 and £4.16 (inclusive of VAT) per week dependent on the size of the garden and will increase by 3.0%, the new charges will be between £2.59 and £4.28. This is available as a whole year service (charged every week) or as a part year service (charged for 34 weeks). This service is an optional service, it is not eligible for housing benefit and it is available to all tenants.
- f) That the service charges to leaseholders are calculated based on the actual costs of providing the services and repairs and maintenance to the property.

The table below summarises the fees and charges that are included within the HRA budget assumptions.

<b>Fee</b>	<b>Current Charge 2018/19</b>	<b>Proposed Charge 2019/20</b>	<b>Budget Implication</b>
Garages	£5.34 per week (charged every week)	£5.50 per week (charged every week)	£3,799
Garage charges to non tenants	£6.41 per week (charged every week)	£6.60 per week (charged every week)	£4,365
Garage Sites	£0.91 per week	£0.94 per week	£48
Garage site charges to non tenants	£1.09 per week	£1.13 per week	£302
District Heating – Balby Bridge	5.8p per unit (excluding VAT)  6.09p per unit (inclusive of VAT)	6.0p per unit (excluding VAT)  6.3p per unit (inclusive of VAT)	Income dependant on usage
District Heating – Milton Court			£238
Bedsits	£6.40 per week	£6.62 per week	
One bedroom	£6.50 per week	£6.72 per week	
District Heating – Ennerdale	5.8p per unit 6.09p per unit (inclusive of VAT)	6.0p per unit 6.3p per unit (inclusive of VAT)	Income dependant on usage
Enclosed Garden Service (inclusive of VAT)	£2.51 £3.16 £3.42 £3.89 £4.16 (charged every week or 34 weeks)	£2.59 £3.25 £3.52 £4.01 £4.28 (charged every week or 34 weeks)	£1,539

14. Other changes which impact on the HRA are;

#### **Welfare Benefit Changes and Potential financial impact**

Changes to Welfare benefits have a direct impact on individual tenants which usually results in them having less income. This can impact on their ability to pay their rent, this can also lead to an increase in rent arrears and then eventually increased property turnover and associated costs.

A number of welfare benefit changes have already been made;

**Under occupation or “bedroom tax”** – this was introduced on 1<sup>st</sup> April, 2013. This policy means that if working age tenants (pensioners were excluded from this change) are deemed to be under occupying their property then their housing benefit is reduced by 14% if they have one under occupied bedroom, or 25% if they have two or more under occupied bedrooms. This change currently affects 2,039 of tenants and their housing benefit has been reduced by £1.249m, which needs to be collected. Bedroom tax still applies to tenants that claim Universal Credit (UC) however as DWP do not share information with us, we are unable to obtain accurate information as to how many of our tenants are affected that are claiming UC.

**Benefit Cap** – this is the maximum amount of benefit that an individual or household can receive. This was set at £26k in July 2013 and has been further reduced to

£20k for families and £13,400 for single claimants with effect from 9<sup>th</sup> January, 2017. This currently affects 91 Council tenancies.

**Further rollout of universal credit (UC)** – Tenants claiming universal credit receive their housing costs (the equivalent of Housing benefit) paid direct to themselves rather than paid to the landlord, with the tenant then responsible for paying their own rent.

Universal credit was rolled out in Doncaster in September 2015 and applied to single people with no dependents, in October 2017 full service for UC started (all new and changes to tenancies will claim UC) there are currently 2,826 UC claimants in the Council's housing stock. At some point between 2019 and 2021, when UC is fully rolled out, it is expected that all working age tenants will be paid their benefits via UC. This will apply to approximately 7,500 Council tenancies and will require approximately £24.0m of rent to be collected from tenants which has previously been paid directly to the HRA via housing benefit. By March 2020 it is anticipated that 5,100 tenants in Doncaster will have moved over to UC and the value of the rent which will need to be collected from these tenants during the 2019/20 financial year (which was previously paid direct via housing benefit) will be £14.6m.

**53 Mondays** – during the financial year 2019/20 there will be 53 Mondays, for tenants receiving UC this will not be taken into account when calculating their entitlement, the impact of this is that approximately £0.350m of universal credit will not be paid to tenants for them to pay their rent, it is highly likely that this will result in an increase in current tenants arrears. This is a direct contradiction of the principles of UC where no one was supposed to be any worse off and housing benefit payments take account of 53 Mondays.

**No automatic entitlement to housing costs for 18 to 21 year olds** – This policy was scrapped 31<sup>st</sup> December, 2018 following a change by the Government.

The changes to welfare benefits will have a significant impact on housing services within Doncaster. Tenants are informed of the changes on a regular basis via Houseproud (the tenants' newsletter) and both the Council and St Leger Homes' website. Members are kept up to date of these changes through Members Briefings.

## **OPTIONS CONSIDERED**

15. The Welfare Reform and Work Act 2016 defines how Local Authority rents will be set over the period 2016/17 to 2019/20. No other options were considered.

## **REASONS FOR RECOMMENDED OPTION**

16. The Authority is required to approve the Housing Revenue Account budget for each financial year and monitor spending throughout the year. HRA budget information is reported quarterly to Cabinet. The HRA must make a provision for depreciation on Council dwellings as specified by the Government (as a minimum). It must also pay the necessary charges due on all its loans (loan charges - interest), any expenditure over and above this is discretionary but all expenditure must be funded from rent income. The recommended rent decrease of 1.0% allows the Council to fulfill its financial obligations in relation to the HRA.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

17.

	<b>Outcomes</b>	<b>Implications</b>
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>All staff employed by SLHD are paid at or above the Living Wage. SLHD has an established apprenticeship programme and all entry level roles are reviewed to see if they can be converted to an apprenticeship role.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	<p>All Council homes are improved and maintained to the Doncaster Decency standard. Resources have been identified to build new Council houses and to improve the energy efficiency of the existing ones.</p>
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	<p>A safe and warm living environment is an excellent foundation from which children, young people and adults can prosper.</p>
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	<p>SLHD works closely with the Council's stronger families team. A tenancy sustainment team has recently been established. A significant amount of investment is made each year in aids and adaptations to people's homes to enable them to live there in a safe and comfortable environment.</p>
	<p><b>Connected Council:</b></p>	<p>Housing services in Doncaster</p>



	<ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>are excellent value for money with 92.8% of tenants saying that they are satisfied that their rent provides value for money. St Leger Homes is a key partner in Team Doncaster and in delivering Doncaster Growing Together.</p>
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## RISKS AND ASSUMPTIONS

18. The table below identifies the main quantifiable risks, which might result in the actual income and expenditure in 2019/20 being significantly different from the estimates and proposed actions to manage/mitigate them;

Risk/Assumption	Probability	Impact	Proposed Action
Increase in rent arrears as a result of welfare benefit reform (under occupation criteria)	Medium	£1.25m of direct housing benefit payments will be lost by tenants during 2019/20.	Increased focus on rent collection and financial advice. Bad debt provision of £1.701m and £0.411m assistance fund.
Increase in rent arrears as a result of the introduction of universal credit.	Medium	Estimated that 2,000 new tenants will receive universal credit in 2019/20 (£7.5m), instead of housing benefit paid direct to the landlord.	Increased focus on rent collection and financial advice. Bad debt provision of £1.701m and £0.411m assistance fund
Interest rates increase by 0.5%	Medium	Increased costs of £1.3m	A prudent estimate has been assumed for interest rates, a large proportion of loans are at fixed rates of interest.
Dwelling rent voids exceed the assumed level of 1.25% of the rent debit (£0.909m income reduction for the year) by 0.25% of rent debit.	Medium	Income reduction £0.182m	Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high.

Dwelling rent voids exceed the assumed level of 1.25% of the rent debit (£0.909m income reduction for the year) by 1.0% of rent debit	Low	Income reduction £0.727m	Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high.
Inflation in future years is higher than anticipated. An additional 1% on CPI would create cost pressures at a time when income is reducing.	Medium	£0.056m of potential inflationary costs.	Inflationary projections for future years are expected to remain low, the figures will be monitored on a regular basis.

**LEGAL IMPLICATIONS [Officer Initials: SRF**

**Date: 28.01.19]**

19. The Council is required by s74 of the Local Government and Housing Act 1989 to keep a Housing Revenue Account (HRA), which records all revenue expenditure and income relating to the provision of council dwellings and related services. This includes formulating proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management, capital expenditure and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions, the Authority must set a balanced account. In its role as landlord, the Council has statutory and contractual obligations to maintain the structure of, and installations in, its housing stock. The HRA Budget will assist the council in fulfilling those obligations
20. Referring to paragraph 7 above, the Welfare Reform and Work Act 2016 requires registered providers of social housing to secure that the amount of rent payable in respect of that relevant year by a tenant of their social housing in England is at least 1% less than the amount of rent that was payable by the tenant in respect of the preceding 12 months. The relevant year in relation to a registered provider is a year beginning on 1 April 2016, 1 April 2017, 1 April 2018 or 1 April 2019. The Secretary of State may issue a direction in relation to the amount of rent payable in respect of a local authority if he considers that the local authority would be unable to avoid serious financial difficulties if it were to comply with the reduction in rent.
21. The decision maker must be aware of their obligations under section 149 Equality Act 2010, the Public Sector Equality Duty (PSED). It obliges public authorities, when exercising their functions, to have 'due regard' to the need to:
  - a. Eliminate discrimination, harassment and victimisation and other conduct which the Act prohibits;
  - b. Advance equality of opportunity; and
  - c. Foster good relations between people who share relevant protected characteristics and those who do not.

The relevant protected characteristics under the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The decision maker must ensure that they have seen the due regard statement. The duty must be exercised in substance, with rigour, and with an open mind and is not a question of ticking boxes. It is for the decision-maker to decide how much weight

should be given to the various factors informing the decision, including how much weight should be given to the PSED itself. The duty is a continuing one and there should be a record/audit trail of how due regard has been shown. It is not sufficient for due regard to be a “rear-guard action” following a concluded decision. The decision maker must also pay regard to any countervailing factors and decide the weight to be given to these, which it is proper and reasonable to consider; budgetary pressures, economics and practical factors will often be important.

**FINANCIAL IMPLICATIONS [Officer Initials: AW     Date: 24.01.19]**

22. These are contained within the body of the report.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials: AC     Date: 25.01.19]**

23. There are no HR implications specific to this recommendation. The savings which need to be made by SLHD as detailed in Appendix B do not impact on the workforce. Any future changes as a result of the efficiencies that impact on the workforce will require HR engagement and would involve separate approval as appropriate.

**TECHNOLOGY IMPLICATIONS [Officer Initials: PW     Date: 25.01.19]**

24. There are no direct technology implications as a result of this report. SLHD are represented on the Council & Partners Technology Governance Board (TGB) and submit any technology requirements to be considered to ensure wise investment, maximisation of existing systems across partners and rationalisation where possible & appropriate. As outlined above, the delivery of a new Integrated Housing Management IT system is currently underway. Following contract signing, a technical kick off meeting will take place with SLHD, DMBC Digital & ICT and the 3<sup>rd</sup> party provider and an implementation plan will be finalised and agreed.

**HEALTH IMPLICATIONS [Officer Initials: RS     Date: 24.01.19]**

25. This report sets out the Mayor’s proposals for the 2019/20 Housing Revenue Account (HRA) Budget and outlines rent reductions and proposed fees. The choices the council makes in both raising and allocating budgets will impact on the health of the population. In general 20% of what contributes to health is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment (including housing). The decisions within this budget report have mixed implications for health. On a positive note the proposed rent reduction, maintenance of the Doncaster decency standard, and work to ensure access to warm homes will benefit current tenants. However, continued changes to benefits will impact on the most vulnerable tenants. Overall the reduction in dwelling rent will reduce the ability to build new housing stock. Where further cabinet reports are required report authors should consider the need for formal health impact assessments or early involvement of the public health team to minimise unintended impacts on health. Health impacts should also be addressed in the due regard statements that are developed alongside these further reports. Consideration could also be given to further utilising the considerable guidance on Housing for Health (<https://www.gov.uk/government/collections/housing-for-health>).

26. A Public Sector Equality Duty assessment is attached at Appendix C. There will be implications for individuals as a result of reducing rents but fundamentally rents are set based on the type and location of the property not with regard to the tenant.

## **CONSULTATION**

27. Full Council were informed of the key points on 24th January, 2019.

28. Members have been consulted at meetings between November 2018 and February 2019; this included Labour Group and representatives from other parties.

29. The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with members of the Tenants and Residents Involvement Panel (TRIP) and representatives from Tenants and Residents Associations (TARAs) on 17<sup>th</sup> January, 2019.

30. Tenants think that Council rents in Doncaster are excellent value for money (and this is reflected in Tenant surveys 92.8% are satisfied that their rent provides value for money). They thought that the increases in fees and charges were reasonable and that the increases were very small weekly changes and they also responded to say that many tenants were seeing decreases in their fuel bills following investment in energy efficiency improvements.

31. Tenants are happy with the condition of their homes and the services that they receive, they could not identify any service improvements or investment needs which were not being met by the proposed budgets. They were particularly pleased to see the resources to be invested in fire safety work and felt that the Council had acted quickly to address fire safety issues.

32. SLHD consult with their staff and unions on the proposals within the HRA budget which directly affect them.

This report has significant implications in terms of the following:

Procurement	N/A	Crime & Disorder	N/A
Human Resources	N/A	Human Rights & Equalities	N/A
Buildings, Land and Occupiers	N/A	Environment & Sustainability	N/A
ICT	N/A	Capital Programme	Yes

## **BACKGROUND PAPERS**

- Welfare Reform and Work Act 2016
- Housing and Planning Act 2016
- Cabinet report 20<sup>th</sup> November, 2018 – Finance and Improvement Report 2018/19 Quarter 2

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**Steve Mawson  
Chief Financial Officer  
& Assistant Director – Finance**

Description	Annual Budget OE 2019/20 £000s	Annual Budget OE 2020/21 £000s	Annual Budget OE 2021/22 £000s	Annual Budget OE 2022/23 £000s
<b>Expenditure</b>				
Management and Maintenance				
Insurances	766	780	800	820
General Management	3,785	3,485	3,485	3,485
Special Services	240	240	240	240
Management Fee to St Leger Homes	30,801	31,628	32,305	33,232
Tenancy Sustainment Fund	411	411	111	111
Debt Management Expenses	20	20	20	20
Rent, Rates, Taxes & Other Charges	135	135	135	135
Capital Charges				
Depreciation on Council Dwellings	17,265	17,265	17,265	17,265
Depreciation on non dwellings	938	938	938	938
Provision For Bad or Doubtful Debts	1,701	1,500	1,700	1,700
<b>Total Expenditure</b>	<b>56,062</b>	<b>56,402</b>	<b>56,999</b>	<b>57,946</b>
<b>Income</b>				
Rent Income				
Dwelling Rents	-71,778	-73,414	-74,951	-76,515
Non-dwelling Rents	-815	-775	-750	-725
Charges For Services and Facilities	-124	-124	-124	-124
Contributions Towards Expenditure	-286	-286	-286	-286
Income from Solar Panels	-204	-208	-212	-216
<b>Total Income</b>	<b>-73,207</b>	<b>-74,807</b>	<b>-76,323</b>	<b>-77,866</b>
<b>Net Income from Services</b>	<b>-17,145</b>	<b>-18,405</b>	<b>-19,324</b>	<b>-19,920</b>
Capital Charges				
Loan Charges - Interest	12,581	12,543	12,379	12,340
Interest Receivable	-52	-25	-25	-25
<b>Net Operating Income</b>	<b>-4,616</b>	<b>-5,887</b>	<b>-6,970</b>	<b>-7,605</b>
Appropriations				
Revenue Contribution To Capital Outlay	6,828	5,887	6,970	7,605
Transfer to / from Reserves	-2,212	0	0	0
<b>Surplus (-) / Deficit for Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
HRA A/C BALANCE BF	<b>6,212</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
Transfer to/from balances	<b>-2,212</b>	<b>0</b>	<b>0</b>	<b>0</b>
HRA A/C BALANCE CF	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>

**SLHD Management Fee**

	Note	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s
Management fee		29,238	30,801	31,628	32,305
Budget Pressures					
Legislation changes					
H&S and Compliance post following Hackitt review	1	52			
Inflationary increases					
Pay award	2	542	500	500	500
Superannuation	3	282	137	137	137
Increments	4	59	40	40	40
Inflation	5	301	250	250	250
Service Level Agreements	6	321			
Office 365	7	66			
Removal of 5 year temporary funding	8	-60	-100		
Efficiencies delivered	9	-480		-250	
Reinvestment in services		480			
Future efficiency target	10	-200	-100		
Future investment in services		200	100		
<b>Total Management Fee</b>		<b>30,801</b>	<b>31,628</b>	<b>32,305</b>	<b>33,232</b>

**Details of the growth bids are;**

**1. Legislation Changes** - Following the tragic fire at Grenfell Tower in London during June 2017 and the subsequent publication of the Hackitt report, the requirements for management of high rise blocks have changed and a new post has been created to deliver the necessary changes.

**2. Pay award** - 2% pay award with effect from 1 April 2019 and implementation of new pay scales.

**3. Superannuation** - The pension fund was revalued in 2016. Employers contribution increases from 12.4% in 2017/18 to 12.9% in 2018/19 and 13.9% in 2019/20. It has been assumed that this will increase by 0.5% each year in the following 3 years.

**4. Increments** - the overall net increase paid to staff.

**5. Inflation** - the increase costs for contracted goods and services. Inflation is calculated on individual budget lines and the vast majority of budgets have not been inflated, examples of some of the inflationary increases are fuel at 9% (£50k), rents at 5% (£47k), materials at 2% (£108k), insurance premiums 9% (£11k), SLAs 2% (£39k) and utilities 3% (£16k).

**6. Service Level Agreements (SLAs)** - there are significant cost increases on a number of SLAs following a full review of services and revised costs agreed, this figure comprises the following increases - Grounds Maintenance £240k, Payroll Services £64k and increases to other services including ICT, legal and call centre.

**7. Office 365** - there are significant increased costs as a result of the implementation of Office 365 and new microsoft enterprise licences.

**8. Removal of 5 year temporary funding** - on 18 June 2014 Cabinet agreed a five year increase of £160k per annum in resources to fund the refurbishment costs of St Leger House (formerly Concorde House). This funding has been removed from the management fee as the refurbishment costs are written off.

**9. Efficiencies Delivered**

14 posts have been deleted from across all areas of the business (4 from repairs due to efficiencies in void processes, 4 from housing management (st leger lettings, gardening service and tenant involvement) and 6 from back office services (finance and HR) ) other posts have been created to deliver the needs of the service (new posts in the tenancy sustainment team, customer services, H&S and compliance and temporary posts to deliver the new integrated housing management system). Other savings have been made from delivering contracts in-house which were previously outsourced and by reducing postage costs. During 2019/20 all the efficiencies made have been reinvested into other service improvements, following the full implementation of the new IT system it is anticipated that further savings will be delivered and £250k has been taken out of the 2021/22 budget to reflect this.

**10. Future Efficiency Target**

It was estimated that over the 3 year period 2018/19 to 2020/21 there would be additional costs of £500k to deal with the rollout of Universal Credit across Doncaster (with an estimated £24.0m of rent income needed to be collected which had previously been paid directly to the Council via housing benefit). These estimated costs were split, £200k for 2018/19 (not shown in the table above), £200k in 2019/20 and £100k in 2020/21. SLHD was not given additional management fee to fund these changes but was required to find efficiencies to deliver the service changes required.

## HRA Budget Report

1	<p><b>Name of the ‘policy’ and briefly describe the activity being considered including aims and expected outcomes. This will help to determine how relevant the ‘policy’ is to equality.</b></p>	<p><b>HOUSING REVENUE ACCOUNT BUDGET 2019/20</b>  <b>The Impact of Decreasing Dwelling Rents for the Council’s Housing Stock.</b></p> <p>Doncaster Council is landlord to 20,406 properties of which 20,138 are socially rented and 268 are leasehold. The Housing Management responsibility for the stock has been delegated to St Leger Homes of Doncaster (SLHD) under a management agreement. On 8<sup>th</sup> July, 2015 the Government held a summer budget and announced in that budget that all social housing rents would reduce by 1% a year for the next four years from 2016/17 to 2019/20. This announcement is being forced upon local authorities through the Welfare Reform and Work Act 2016. For 2019/20 the rent reduction will be 1.0% for all tenants meaning that the average rent will be £69.40 per week.</p> <p>This due regard statement seeks to identify those groups noted in the protected characteristics (section 3) that may be affected positively or negatively by the reducing of rents and sets out the measures to mitigate the impact on those groups. The rent decrease of 1.0% will be applied to all tenancies irrespective of the tenant.</p>
2	<p><b>Service area responsible for completing this statement.</b></p>	<p><b>St Leger Homes of Doncaster.</b></p>
3	<p><b>Summary of the information considered across the protected groups.</b></p> <p><b>Service users/residents</b></p> <p><b>Doncaster Workforce</b></p>	<p><b>Age</b>  The rent decrease of 1.0% will apply to all tenancies, regardless of the resident’s age. However, other specific welfare reform measures may have an impact as a result of the age of the tenant , these are as follows;</p> <p><b>Social Sector Size Criteria (bedroom tax);</b> Introduced 1<sup>st</sup> April, 2013, this welfare reform only applies to working age households and currently affects 2,039 tenants who are claiming Housing Benefit*. 1,607 tenants have to make up a 14% shortfall for their rent and 432 have a shortfall of 25% to make up. The average age of tenants affected by under occupation charge is 46. We are not aware of the number of households who</p>

under occupy but do not claim housing benefit.

\*Bedroom tax still applies to tenants that claim Universal Credit however we are unable to obtain accurate information as to how many are affected so the figures quoted above do not provide the full picture of the impact.

**Benefits Cap:** A cap on the total amount of benefits a household can receive was introduced in July 2013, which affected 20 DMBC tenants. A further, lower cap was fully implemented on 9<sup>th</sup> January, 2017 (£20k for families and £13,400 for single claimants). The lower cap currently affects 91 families in Council accommodation. For DMBC tenants, the reduced cap will largely apply to single parent households with 4 or more children or couples with 3 or more children.

**No automatic entitlement to Housing costs for 18-21 year olds:** From 31<sup>st</sup> December, 2018 this welfare reform was scrapped.

**Full Service roll out of Universal Credit from October 2017**

Universal Credit '*Full Service*' was implemented in Doncaster on 11<sup>th</sup> October, 2017 and replaced the Universal Credit *Live Service* which had been operational since September 2015. From this point all new claims from working age tenants for any of the 6 former benefits (Job Seeker's Allowance, Employment and Support Allowance, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit) will automatically go onto Universal Credit and these former benefits will be closed to new claims. In January 2018 the total number of cases claiming UC was 755. By January 2019 the number of tenants claiming UC now stands at 2,826 cases, an increase of 2,071. From 1<sup>st</sup> February, 2019 the rate of transfer on to Universal Credit is likely to increase as claimants with 3 or more children will then be able to claim Universal credit.

As at January 2019, there are approximately 34% pension age tenants and 66% working age. Of these, 4,912 pension age tenants and 5,341 working age tenants are in receipt of Housing Benefit or the equivalent Housing Element of Universal Credit. Currently there are 2,826 tenants claiming Universal Credit, all of which are working age.



	<p><b>Disability</b>  Out of the main tenants on our Universal Housing system, 6,777 have identified as disabled – which equates to 33.75%. This compares to a national figure of 8.3% across the whole population in England (2011 Census data). It is not anticipated that the decrease in rents will adversely affect individuals based on their disability. The Housing Revenue Account also has a specific budget of £1.9m for adaptations to the homes of tenants that need adaptations.</p> <p><b>Ethnicity</b>  16,684 of our tenants identify as White British – which equates to 83.08%. 1,299 (6.47%) identify as belonging to black, Asian or minority ethnic groups. A report by Department for Work and Pensions in June 2012 also tells us that working age adults living in households headed by someone from an ethnic minority were more likely to live in low-income households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin. Translation services are offered in exceptional cases, but every effort is made to ensure that tenants understand their tenancy agreements and any other legal documents.</p> <p><b>Gender</b>  It is not anticipated that the decrease in rents or under occupation charge will adversely affect individuals based on their gender. Male and Female residents will be equally affected. 12,736 of our tenants have identified as Female (63.42%) and 7,282 (36.26%) as Male.</p> <p><b>Sexual Orientation</b>  It is not anticipated that the decrease in rents will adversely affect individuals based on their sexual orientation.</p> <p><b>Religion and Belief</b>  It is not anticipated that the decrease in rents will adversely affect individuals as a result of any specific religion or belief they may have.</p>
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		<p><b>Maternity and Pregnancy</b> It is not envisaged that those residents who happen to be pregnant or on maternity leave will be adversely affected by the rent decrease as a result of their pregnancy or maternity leave.</p> <p><b>Gender Reassignment</b> It is not anticipated that the decrease in rents will adversely affect individuals who have undergone gender reassignment.</p> <p><b>Marriage and Civil Partnership</b> It is not anticipated that the decrease in rents will adversely affect individuals if they are married or in civil partnerships, more so than non-married residents or those not in civil partnerships.</p>
4	<p><b>Summary of the consultation/engagement activities</b></p>	<p>Full Council were informed of the key points on 24th January, 2019.</p> <p>Members have been consulted at meetings between November 2018 and February 2019; this included Labour Group and representatives from other parties.</p> <p>The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with members of the Tenants and Residents Involvement Panel (TRIP) and representatives from Tenants and Residents Associations (TARAs) on 17<sup>th</sup> January, 2019.</p> <p>Tenants think that Council rents in Doncaster are excellent value for money (this is reflected in Tenant surveys, 92.8% are satisfied that their rent provides value for money). They thought that the increases in fees and charges were reasonable and that the increases were very small weekly changes. They also responded to say that many tenants were seeing decreases in their fuel bills following investment in energy efficiency improvements.</p> <p>Tenants are happy with the condition of their homes and the services that they receive, they could not identify any service improvements or investment needs which were not being met by the proposed budgets. They were particularly pleased to see the resources to be invested in fire safety work and felt that the Council had acted quickly to address fire safety issues.</p>

		<p>SLHD consult with their staff and unions on the proposals within the HRA budget which directly affect them.</p> <p>Once a decision has been made by Council on 4<sup>th</sup> March 2019, a letter will be sent to all Council tenants which will give details of the rent change with effect from 1<sup>st</sup> April, 2019.</p>
<b>5</b>	<p><b>Real Consideration:</b></p> <p><b>Summary of what the evidence shows and how has it been used</b></p>	<p>All Council tenants will benefit from the rent reduction. But some tenants will continue to be impacted by the under occupation charge and/or benefit cap, however it is likely that some groups will be affected to a greater extent because of their lower income.</p> <p>The changes to welfare reform currently only impact on tenants that are deemed to be of “working age”.</p> <p>SLHD have a tenancy sustainment team to help assist tenants in financial difficulties and to help to sustain tenancies. This team was reconfigured and significantly strengthened to 19 staff members during 2018/19 to help the increasing numbers of tenants in rent arrears as a result of welfare reform changes. SLHD staff and staff from the Council’s benefit team work together with tenants to assist them to claim discretionary housing benefit (DHP) where this is appropriate. The Council has identified a budget of up to £0.411m to assist tenants impacted by welfare reform, a revised policy was approved which detailed how this money could be spent in August 2017, as further welfare benefit reform changes are made this policy may need to be updated again.</p> <p>The rent reduction is the same percentage reduction for all tenancies, the rent is calculated based on the characteristics of the property and not with regard to the tenant.</p>
<b>6</b>	<b>Decision Making</b>	<p>This due regard statement has been made available to Members in advance of making any decisions on rent decreases. The HRA Budget 2019/20 report to Council on 4<sup>th</sup> March, 2019 asks the Council to agree the rent reduction for the 2019/20 financial year with effect from 1<sup>st</sup> April, 2019.</p>
<b>7</b>	<b>Monitoring and Review</b>	<p>The HRA budget is monitored on a quarterly basis by Cabinet, performance information for SLHD is monitored every 3 months by Cabinet and includes information on rent arrears. SLHD management team and Board monitor performance on a regular basis and there is a focus on rent arrears as a result of the recent welfare reform changes. Financial assistance is offered to all tenants who are in rent arrears, the number of evictions due to rent arrears is also monitored in detail to identify if any trends are emerging. Payments</p>

		made from the welfare benefit reform fund are monitored and these details include the protected characteristics of the tenants.
8	<b>Sign off and approval for publication</b>	Julie Crook, Director of Corporate Services, St Leger Homes of Doncaster.



## Doncaster Council

To the Chair and Members of the  
COUNCIL

Date: 4<sup>th</sup> March 2019

### THE TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 – 2022/23

#### EXECUTIVE SUMMARY

1. This report details the strategy for management of the council finances and provides a framework for the operation of the treasury management function within the Council. Treasury management seeks to optimise the council's cash flow and secure the most effective arrangements to support long term funding requirements. Key prudential indicators relating to borrowing limits are contained in the body of the report, with the prudential indicators relating to affordability in **Appendix A**. The key messages are:
  - a. Borrowing – total borrowing requirement will increase during the period covered by this report but the Council will remain under-borrowed against its total borrowing requirement to avoid the higher cost of carrying debt (Capital Financing Requirement 2019/20 £596m). As borrowing rates are forecast to only rise gently over the next 3 years, the primary borrowing strategy for new and replacement debt will be to take cheaper short term loans to maximise interest savings over the period of the report. The Council will also repay £24.5m of maturing debt to generate further external interest savings. The borrowing strategy is detailed in **paragraphs 14 – 61**.
  - b. Investments – securing the return of investment funds remains paramount when selecting counterparties and the strategy reflects this. The Investment Strategy will continue to manage the balances available and support cash flow requirements. The Investment Strategy is a low risk policy with minimal returns in value; this protects the Council from losses caused by financial institutions failing to repay investments when due. This policy allows the Council to spread the risk amongst a number of approved lenders, and financial instruments as outlined in **paragraphs 62 – 99**.
2. The Council has to approve the local policy for approach to debt repayment (Minimum Revenue Provision – MRP) which is detailed in **Appendix B**.

#### EXEMPT REPORT

3. Not applicable.

## **RECOMMENDATIONS**

4. Council is asked to approve the Treasury Management Strategy Statement 2019/20 – 2022/23 report and the Prudential Indicators included.
5. Council is asked to approve the Minimum Revenue Provision (MRP) policy as set out in **paragraphs 26 - 27** (details in **Appendix B**).

## **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

6. This Strategy ensures that the Council's Capital Programme borrowing requirement is affordable and takes advantage of low short term interest rates to deliver savings for the Council. By ensuring that the treasury management function is effective we can ensure that the right resources are available at the right time to enable the delivery of services.

## **BACKGROUND**

7. Chartered Institute of Public Finance and Accounting (CIPFA) defines treasury management as: "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks". For the Council to produce a strategy which is compliant with the statutory guidelines, a number of acts and guidance have to be taken into account.
8. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management function is to ensure that this cash flow is planned, with cash being available when it is needed. Surplus monies are invested in low risk financial institutions and instruments in line with the Council's low risk appetite, providing liquidity before considering investment return.
9. The second main function of treasury management is the funding of the Council's Capital Programme. The Capital Programme provides a guide to the borrowing need of the Council and the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.
10. The Treasury Management strategy for 2019/20 – 2022/23 covers two main areas:

### **Capital Issues**

- a) the Capital Programme and the associated prudential indicators;
- b) the Minimum Revenue Provision (MRP) policy.

### **Treasury Management Issues**

- a) the current treasury position;
- b) treasury indicators which limit treasury risk and activities of the Council;
- c) prospects for interest rates;
- d) the borrowing strategy;
- e) policy on borrowing in advance of need;
- f) debt rescheduling;
- g) the investment strategy;
- h) creditworthiness policy; and
- i) policy on use of external service providers.

11. These elements cover the requirements of the Local Government Act 2003, CIPFA Prudential Code, government MRP guidance, the CIPFA Treasury Management Code and the government Investment Guidance.

### The Capital Programme Prudential Indicators 2019/20 – 2022/23

12. The Council's Capital Programme is the key driver of treasury management activity. The Prudential Indicators are designed to assist members' overview and confirm capital expenditure plans.

### Capital Expenditure

13. The first prudential indicator is a summary of the Council's Capital Programme expenditure plans and funding. It includes existing expenditure commitments, and those included in the 2019/20 – 2022/23 budget cycle.

	Actual	Estimates				
	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
<b>Capital Expenditure</b>						
General Fund (GF)	71,326	71,516	110,234	62,555	28,279	19,362
HRA	30,400	37,628	24,314	26,116	26,098	25,790
<b>Total</b>	<b>101,726</b>	<b>109,144</b>	<b>134,548</b>	<b>88,671</b>	<b>54,377</b>	<b>45,152</b>
<b>Financing of Capital Expenditure</b>						
Capital Receipts	10,520	13,969	27,149	17,483	6,026	5,390
Capital Receipts Shortfall *	0	-5,215	5,215	0	0	0
Capital Grants	38,235	36,857	46,094	28,429	9,725	2,244
Capital Reserves	596	678	1	0	0	0
Revenue	26,782	32,836	24,713	26,216	26,098	25,790
<b>Sub Total</b>	<b>76,133</b>	<b>79,125</b>	<b>103,172</b>	<b>72,128</b>	<b>41,849</b>	<b>33,424</b>
<b>Net Financing Need</b>	<b>25,593</b>	<b>30,019</b>	<b>31,376</b>	<b>16,543</b>	<b>12,528</b>	<b>11,728</b>

\*Some Capital schemes are financed by capital receipts. The timing of the receipts varies and may result in some expenditure showing as unfinanced at the year-end until the receipts are generated. The forecast figures above reflect the in-year movement including the estimated £5.2m shortfall in capital receipts for 2018/19.

### Borrowing

#### The Council's Total Capital Financing Requirement (CFR)

14. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is total historic outstanding capital expenditure which has not been fully funded. It is a measure of the Council's underlying borrowing need.

15. The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. As at 31/03/18, the Council had £48.1m of such schemes.

16. The CFR does not increase indefinitely, as minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

	Actual	Estimates				
	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
<b>Capital Financing Requirement</b>						
GF	284,236	305,451	328,953	337,792	342,679	346,844
HRA	266,025	267,069	267,069	267,069	267,069	267,069
Total CFR	<b>550,261</b>	<b>572,520</b>	<b>596,022</b>	<b>604,861</b>	<b>609,748</b>	<b>613,913</b>
Movement in CFR	<b>21,558</b>	<b>22,259</b>	<b>23,503</b>	<b>8,839</b>	<b>4,887</b>	<b>4,166</b>
<b>Represented by</b>						
Net Financing Need (table above)	25,593	30,019	31,376	16,543	12,528	11,728
Less MRP/Other financing adjustment	<b>-4,035</b>	<b>-7,760</b>	<b>-7,873</b>	<b>-7,704</b>	<b>-7,641</b>	<b>-7,562</b>
Movement in CFR	<b>21,558</b>	<b>22,259</b>	<b>23,503</b>	<b>8,839</b>	<b>4,887</b>	<b>4,166</b>

17. The Council is forecast to have borrowed £526.1m as at 31/03/19 against a CFR (borrowing requirement) of £572.5m which means that the Council is currently forecast to be under-borrowed (see paragraphs 19 to 21) by £46.4m. This minimises external interest costs, but may not be sustainable long term.

18. In 2017/18 the Council borrowed £56.5m to prepay its pension deficit obligations and 80% of the future service rate (FSR) for the following 3 years, which saved the Council £0.6m after borrowing costs. Whilst the borrowing for the pension prepayment is not for capital purposes and therefore does not feed into the Capital Financing Requirement as no asset is purchased, it will temporarily reduce the under-borrowed position for reporting purposes, for the three years during which the loans are outstanding.

### Under- Borrowing

19. As detailed above, the Council is currently maintaining an under-borrowed position. This means that the level of actual debt is below the Capital Financing Requirement (the amount the authority needs to borrow for capital purposes) and therefore the Council has to use internal resources such as earmarked reserves, unapplied grants and capital receipts, cash balances, etc. to fund some of its unfinanced capital expenditure.

20. This strategy is beneficial because external debt interest payments are minimised and funds available for investments are reduced at a time when investment returns remain low.

21. This position cannot be sustained in the long term. The reserves and balances may be needed and as a consequence the need to borrow will increase. This could be short-term or long-term borrowing. The Council have used short-term borrowing opportunities from other authorities as they have restricted lending lists which means they lend at rates much lower than PWLB rates.

### Short-Term Borrowing

22. The use of short-term borrowing can make the borrowing portfolio volatile in terms of interest rate and refinancing risk. The benefit to the Council is low interest costs which has enabled the treasury management function to generate savings, which have been re-prioritised to service delivery. The risk inherent to using this approach has to be balanced against the need to find savings and produce a balanced budget.

23. There is a risk associated with a short-term borrowing strategy. As interest rates are likely to rise in future years, long-term borrowing will be more expensive than



it is currently. By deferring long term borrowing until later years it is likely that additional costs will be incurred. We are balancing long term stable interest costs against short term interest savings.

24. The under-borrowing position remains lower than previous years due to the Council borrowing £56.5m to prepay its pension liabilities for 2017/18 to 2019/20 (see paragraph 18). This position will change by approx. £20m per year when the borrowing is repaid and under-borrowing position increases by the same amount.
25. Unless new resources are identified e.g. grants, asset sales, etc. funding the Capital Programme from balances will decrease investment balances and hence reduce investment income levels, but the loss, is currently, more than offset by the interest savings generated by not taking on the full borrowing requirement.

### The Minimum Revenue Provision (MRP)

26. The Council is required by statute to charge MRP to the General Fund Revenue Account each year for the repayment of debt. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers.
27. The Council's MRP policy is detailed at **Appendix B**. The selected methods are those which are most beneficial in each case and comply with Ministry of Housing, Communities & Local Government (MHCLG) regulations.

### Core funds and expected investment balances

28. The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances. It should be noted that the use of resources is difficult to predict and a cautious approach is taken.

Year End Resources	Actual	Estimates				
	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
Reserves balances	75,933	44,504	32,940	30,025	29,989	29,953
Capital receipts GF	10,520	8,754	32,364	17,483	6,026	5,390
Provisions	15,498	14,544	14,544	14,544	14,544	14,544
Capital Grants Unapplied	11,676	5,904	5,904	5,904	5,904	5,904
<b>Total core funds</b>	<b>113,627</b>	<b>73,706</b>	<b>85,752</b>	<b>67,956</b>	<b>56,463</b>	<b>55,791</b>
Working capital	24,943	24,943	24,943	24,943	24,943	24,943
Under/over borrowing	21,352	46,382	58,733	75,632	67,723	59,092
<b>Expected investments</b>	<b>40,000</b>	<b>56,000</b>	<b>31,500*</b>	<b>31,500</b>	<b>31,500</b>	<b>31,500</b>

\*Estimated impact of repaying £24.5m of maturing loans, to minimise external interest costs, using investment funds.

## Current Portfolio Position

29. There are a number of key prudential indicators to ensure that the Council operates within well-defined limits. One of these is that the Council needs to ensure that its total borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR). This helps to ensure that over the medium term borrowing is not undertaken for revenue purposes.
30. The Chief Financial Officer & Assistant Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report. As previously stated the Council's external borrowing at 31 March 2019 is expected to be £526.1m. Split across two pools as below. The borrowing need (total CFR) is £572.5m which highlights that the Council will be under-borrowed by £46.4m (see paragraphs 19 to 21 above).
31. Following changes to the MHCLG guidance the council needs to report debt relating to commercial activities/non-financial investments separately. The council confirms that we do not currently have any debt relating to commercial activities/non-financial investments and there are no plans for this to change during the term of this report.

Portfolio Position	Actual	Estimates				
	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
<b>CFR General Fund</b>	<b>284,236</b>	<b>305,451</b>	<b>328,953</b>	<b>337,792</b>	<b>342,679</b>	<b>346,844</b>
External Borrowing	285,686	281,871	271,227	263,166	275,962	288,758
Under-borrowed Position	-1,451	23,580	57,727	74,626	66,716	58,086
Ave. Interest Rate	2.89%	2.95%	2.70%	3.17%	3.12%	3.03%
<b>CFR HRA</b>	<b>266,025</b>	<b>267,069</b>	<b>267,069</b>	<b>267,069</b>	<b>267,069</b>	<b>267,069</b>
External Borrowing	243,223	244,267	266,063	266,063	266,063	266,063
Under-borrowed Position *	22,802	22,802	1,006	1,006	1,006	1,006
Average Interest Rate	4.89%	4.84%	4.70%	4.68%	4.61%	4.60%
<b>Total CFR</b>	<b>550,261</b>	<b>572,520</b>	<b>596,022</b>	<b>604,861</b>	<b>609,748</b>	<b>613,913</b>
<b>Total External debt</b>	<b>528,909</b>	<b>526,138</b>	<b>537,289</b>	<b>529,229</b>	<b>542,025</b>	<b>554,821</b>
<b>Total Under-borrowing</b>	<b>21,352</b>	<b>46,382</b>	<b>58,733</b>	<b>75,632</b>	<b>67,723</b>	<b>59,092</b>

\*As there is no requirement to apply MRP to HRA borrowing, its under-borrowed position would only change as a result of a strategic change in the Councils borrowing pool makeup or external borrowing position, e.g. increase/decrease in external debt.

32. Both debt pools have relatively low interest rates which are expected to stay flat between 2019/20 and 2022/23. The average rate on GF increases slightly as the short term pension prepayment loans, which have an average interest rate of sub 1%, are repaid. The average interest rate on HRA debt is higher than the GF debt as the pool contains a higher proportion of older, or longer term, debt taken out at higher interest rates.
33. Treasury management decisions on the structure and timing of borrowing will be made independently for the GF and HRA. Interest on loans will be calculated in accordance with proper accounting practices. This will require interest

expenditure on external borrowing attributed to HRA loans being allocated to the HRA. Interest expenditure on external borrowing attributed to the GF will be allocated to the GF.

### Treasury Indicators: Limits to Borrowing Activity

34. These are the 2 overall controls for treasury management external borrowing:

- The 'operational boundary' for external borrowing; and
- The 'authorised limit' for external borrowing.

### Operational Boundary for external borrowing

35. This is the normally expected limit for external borrowing. For 2019/20 the limit is **£600.6m**. In most cases, this would be a similar figure to the Capital Financing Requirement (CFR). However, Doncaster Council's operational boundary adds our 'other long term liabilities' (which is Metropolitan Debt transferred from South Yorkshire County Council).

Operational Boundary	Actual	Estimates				
	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
CFR/Borrowing	550,261	572,520	596,022	604,861	609,748	613,913
Other long-term liabilities Met. Debt	7,513	6,513	4,545	2,381	0	0
<b>Total</b>	<b>557,774</b>	<b>579,033</b>	<b>600,568</b>	<b>607,242</b>	<b>609,748</b>	<b>613,913</b>

### The Authorised Limit for external borrowing

36. A further key prudential indicator is a control on the maximum level of borrowing. This represents a legal limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council.

37. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

38. This allows the Council to borrow in advance (up to 3 years) of need for future planned expenditure – relating solely to unfinanced capital expenditure in any future 3 year period. Doncaster Council do not borrow in advance and this would only be considered where interest rates were preferential and to avoid future interest rate risk. For 2019/20 the limit is **£641.4m**.

Authorised limit	Actual	Estimates				
	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
Borrowing	550,261	572,520	596,022	604,861	609,748	613,913
Other long-term liabilities – 'Met. Debt'	7,513	6,513	4,545	2,381	0	0
Theoretical amount *	0	60,447	40,799	23,939	11,411	0
<b>Total</b>	<b>557,774</b>	<b>639,480</b>	<b>641,367</b>	<b>631,181</b>	<b>621,159</b>	<b>613,913</b>

\* This figure includes an allocation for the Improvement and Modernisation Fund, which will only be taken as and when individual schemes receive separate approval.

39. Previously, the Council used to be limited to a maximum HRA Capital Financing Requirement (CFR) through the self-financing regime. This was called the HRA debt limit which was abolished during 2018/19.

### **Treasury Management Limits on activity**

40. There are three debt related treasury activity limits, see **Appendix A**, The purpose of these are to keep the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance.

### **Prospects for Interest Rates**

41. Link Asset Services Treasury Solutions, are the Councils treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **Appendix D** draws together a number of current City forecasts for short term (Bank Rate) and longer term fixed interest rates.
42. Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts and Monetary Policy Committee (MPC) decisions will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit. There are a number of downside risks to current forecasts for UK gilt yields and PWLB rates e.g. an increase in the Bank Rate causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
43. There is also the potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates e.g. the bank rate raises too slowly and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
44. Our target borrowing rate for 2019/20 is 1.5%. Whilst our borrowing rates have taken account of all known factors including the advice of our treasury management advisors it is possible that rates could change unexpectedly. A significant rise in short term interest rates could expose the Council to additional interest costs. A 1% increase in interest on loans due to be taken within the next 12 months would cost the General Fund an additional £343k in 2019/20 rising to £658k per annum (full year effect).

### **Borrowing Strategy**

45. Effective treasury management makes sure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the Council's service activity in line with the Capital Programme. This will involve both the organisation of the cash flow and, where capital plans require, the arrangement of borrowing facilities. Total borrowing at the beginning of 2019/20 is forecast to be £526.1m. During 2019/20 the council estimates that it will borrow an additional £31.4m for the Capital Programme and replace £43m of the £67.5m GF and HRA loans expiring during the year. The Council also has £39m of loans, which potentially, we could be asked to repay during the financial year. However, based on the current and forecast levels of interest rates this risk is considered very low and replacement of the loans has not been included within this strategy. The Council's current Loans and Investment portfolios are shown in **Appendix C**.

46. The borrowing strategy is a continuation of the recent successful strategy that has generated large interest savings. The savings are generated in two ways, being under-borrowed (see paragraphs 19 to 21) and borrowing short term (see paragraphs 22 to 26). As interest rates are forecast to increase gently over the term of this strategy we propose to continue to borrow short term rather than lock into the historically low long term interest rates. Where the Section 151 Officer considers it is prudent to do so borrowing may be taken over a longer period.
47. The savings, which are very sensitive to a movement in interest rates, assume that the under-borrowing will continue. There remains risks associated with the under-borrowing, but these will probably be eroded over time through the application of MRP.
48. The strategy delays some borrowing as long as possible to generate interest saving. For example at today's interest rates, if we were to borrow the £46.4m (forecast under-borrowed amount as at 31<sup>st</sup> March 2019) from the Public Works Loan Board (PWLb) over 5 years interest would cost £0.803m per annum and over 25 years to 50 years it would cost £1.16m per annum.
49. It is normally prudent to borrow long term to support the Capital Programme; however, we have had unusual market conditions that we have used to generate short term savings. Those market conditions are forecast to continue to normalise gradually during the strategy term, however, the new normal is forecast to be much lower borrowing rates than in previous economic cycles. Also, 48% of the Councils borrowings are for terms between 30 and 50 years, which brings certainty of cost and minimises interest rate risk on almost half the portfolio.
50. It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the PWLB. This Authority may make use of this new source of borrowing as and when appropriate. We will also consider any other sources of borrowing, which shows better value for money compared to the PWLB.

## **Risk Strategy**

51. The strategies of internal and short-term borrowing generate immediate savings but are not sustainable in the long term given the level of interest rate risk within the portfolio. Three distinct risks have been identified:
  - a) The increased use of reserves and provisions reduces the funds currently financing the under-borrowing. To mitigate this risk the Council will monitor its use of resources and if necessary undertake additional external borrowing, within approved limits.
  - b) Short-term interest rates increase making the short-term borrowing strategy more expensive than a long-term alternative.
  - c) There is an on-going risk that long-term interest rates rise significantly so that the switch from short-term borrowing becomes very costly.
52. Against this background and the risks within the economic forecast, caution will continue to be adopted with the 2019/20 treasury operations. The Chief Financial Officer & Assistant Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
  - if it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
  - if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a

greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that long term fixed rate funding will be drawn whilst interest rates were still relatively cheap. We have already seen an increase in inflation in line with Bank of England forecasts due to the fall in sterling post Brexit. However, over 2 years on, this impact has started to reverse and inflation has started to fall. The current levels do not yet justify a sharper than forecast increase in interest rates.

### **Transfer of Loans between Debt Pools**

53. The Council's policy on transferring loans between the HRA and GF debt pools is as follows:

- In the case of the HRA/General Fund having a requirement to fund its Capital Financing Requirement (CFR), then one debt pool may be used to subsidise another to reduce either the GF or the HRA external borrowing requirement.
- If this happens, then loans will be transferred between the pools without the need to recognise an internal premium or discount.
- Similarly, if the HRA and General Fund wish to swap loans as a result of strategic decisions, this loan swap would also be undertaken at no internal premium or discount.

54. Where the HRA or General Fund has surplus cash balances which allow either account to fund internal, the rate charged on this internal borrowing will be based on the average external rate of interest on the applicable pool at the end of the financial year. This is a reasonable approach providing certainty of charging, protection against short term increases in market rates and reflects the fact that strategic borrowing decisions will generally be made on an annual basis.

55. It is proposed to transfer £21.8m of existing external loans from the General Fund Pool to the HRA Pool. The transfer also means that the HRA will be virtually fully borrowed and General Fund will carry all the under borrowing risk. As a consequence, the ongoing external interest cost for the General Fund will reduce by £0.65m.

### **Policy on Borrowing in Advance of Need**

56. The Council will not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. At present Doncaster Council do not borrow in advance.

57. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 100% of the expected increase in borrowing need (Capital Financing Requirement) over a three year planning period; and
- Would not look to borrow more than 36 months in advance of need.

58. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## Debt Rescheduling

59. As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
60. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. During 2019/20 we are planning to repay maturing debt with £24.5m of the investment funds.
61. All rescheduling activity will be reported in the next Finance & Performance Improvement Report to Cabinet.

## Annual Investment Strategy

### Investment Policy

62. The Council's investment policy has regard to the Government MHCLG's Guidance on Local Government Investments ("the Guidance"), the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA Code") and the CIPFA Treasury Management Guidance Notes 2018. The Council's investment priorities will be security first, portfolio liquidity second, then return.
63. In order to minimise the risk to investments, the Council has stipulated the minimum acceptable credit quality of financial institutions for inclusion on its lending list. The methodology used to create the lending list takes account of the ratings and watches published by all three ratings agencies, Fitch, Moody's and Standard & Poors, with a full understanding of what the ratings reflect in the eyes of each agency. Using the Link Asset Services Treasury Solutions, ratings service, banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
64. The aim of the policy is to generate a list of highly creditworthy financial institutions/products which will also enable diversification and thus avoidance of concentration risk.
65. The primary intention of the policy is to provide security of investment and minimisation of risk.
66. Where the HRA or GF has surplus cash balances invested the interest shall be credited based on the relative proportions of the balances. Where an investment is impaired the charge shall also be shared based on the relative proportions of the balances.

### 67. Long Term Credit Rating Equivalents and Definitions:-

<b>Fitch</b>	<b>Moody's</b>	<b>Standard and Poor's</b>
<b>AAA</b> Highest credit quality. "AAA" ratings denote the lowest expectation of credit risk. They are assigned only in the case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	<b>Aaa</b> Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.	<b>AAA</b> An obligator rated "AAA" has extremely strong capacity to meet its financial commitments. "AAA" is the highest issuer credit rating assigned by S&P.

<b>Fitch</b>	<b>Moody's</b>	<b>Standard and Poor's</b>
<b>AA (+/-)</b> Very high credit quality. "AA" ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	<b>Aa (1/2/3)</b> Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.	<b>AA (+/-)</b> An obligator rated "AA" has very strong capacity to meet its financial commitments. It differs from the highest rated obligators only by a small degree.
<b>A (+/-)</b> High credit quality. "A" ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	<b>A (1/2/3)</b> Obligations rated A are considered upper-medium grade and are subject to low credit risk.	<b>A (+/-)</b> An obligator rated "A" has strong capacity to meet its financial commitments but is more susceptible to the adverse effects of changes in circumstances and economic conditions than obligators in higher rated categories.
There are 1 investment grade and 18 sub investment grade ratings below this level but this Council will not deal in financial instruments rated below the above levels, or equivalent.		

68. Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial markets in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets.

69. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investments.

70. As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.)

71. Investment instruments identified for use within the financial year are listed in **Appendix E** under the "Specified" and "Non-specified" investment categories.

72. The MHCLG Guidance defines Specified Investments as those:

- Denominated in sterling
- Due to be repaid within 12 months of the arrangement
- Not defined as Capital Expenditure by legislation and invested with one of:-
  - I. The UK Government
  - II. A UK local authority, parish council, or community council, or
  - III. A body or investment scheme of "high credit quality"

73. Non-Specified Investments are any that do not meet the above criteria.

74. The above criteria is unchanged from last year.



## Credit Risk Policy

75. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating equal to the UK's sovereign rating (minimum rating as confirmed by at least two agencies). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix E**. This list will be amended by officers should ratings change in accordance with this policy. Any changes will be approved by the Councils Section 151 Officer, or Deputy. Not all counterparties will be active in the market at all times, therefore it is important to have a good spread of available organisations.
76. The Council applies the credit risk assessment service provided by Link Asset Services Treasury Solutions.
77. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. The credit ratings of financial institutions are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
  - Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
78. Sovereign ratings to select financial institutions from only the most creditworthy countries.
79. The model is a series of bands which indicate the relative creditworthiness of financial institutions. This is used by the Council to determine the duration of investments. The model will also be used to select institutions with a high level of creditworthiness, based on the following bands. The Council will therefore use financial institutions within the following durational bands.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

Colour	Maximum Term
Yellow	5 Years
Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light Pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Purple	2 Years
Blue	1 year (applies to nationalised or semi nationalised UK Banks)
Orange	1 Year
Red	6 Months
Green	100 Days
No Colour	Not to be used

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks	Yellow	£50m	5 years
Banks	Purple	£40m	2 years
Banks	Orange	£30m	1 year
Banks – part nationalised	Blue	£30m	1 year
Banks	Red	£20m	6 months
Banks	Green	£10m	100 days

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks	No colour	Not to be used	
Council's banker (Lloyds Bank)	One colour band upgrade	As per relevant band	As per relevant band
Other institutions limit	-	£20m	1 year
DMADF	UK sovereign rating	unlimited	6 months
Local authorities	n/a	£30m	5 years
	Fund rating	Money and/or % Limit	Time Limit
Money market funds (CNAV/LVNAV or VNAV)	AAAmf	£20m per category	liquid
Ultra –Short dated Bonds Funds with a credit score of 1.25	Dark pink / AAA	£10m	liquid
Ultra –Short dated Bonds Funds with a credit score of 1.5	Light pink / AAA	£10m	liquid

80. This methodology is even more cautious than the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy financial institutions. The Link Asset Services Treasury Solutions, creditworthiness service uses a wider array of information in addition to the primary ratings and by using a risk weighted scoring system, does not give undue weighting to one agency's ratings.

81. Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when another rating agency's counterparty ratings may be used that are marginally lower than Fitch's counterparty ratings, but in such instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

82. All credit ratings are monitored daily and changes to ratings are notified to us by Link Asset Services Treasury Solutions, creditworthiness service.

83. If a downgrade results in the financial institution/ investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

84. In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

### **UK banks – ring fencing**

85. The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), were required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks

are very close to the threshold already and so may come into scope in the future regardless.

86. Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.
87. While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

### **Investment Strategy**

88. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
89. Bank Rate is forecast to stay flat at 0.75% before starting to rise from quarter 2 of 2019 and are unlikely to rise above 1.50% by quarter 1 2021. Bank Rate forecasts for financial year ends (March) are:

<b>Financial Year</b>	<b>Rate</b>
2018/19	0.75%
2019/20	1.25%
2020/21	1.50%
2021/22	2.00%
Estimates after 2021/22 are not available	

90. Policy rates are not expected to tighten for some considerable time, so some of the longer dated deals on offer continue to present some potential advantage.
91. The suggested budgeted investment earnings rates for returns on investments placed for periods of up to 3 months during each financial year for the next 3 years are as above. These rates, plus a small margin to stretch performance, have been used to estimate investment interest, over the strategy term.
92. The Council will pursue value for money with its investments and to measure this will use the 7 day London Interbank Bid Rate (LIBID) as its investment benchmark. We will also continue to use the investment benchmarking service offered by Link Asset Services Treasury Solutions, to compare our performance against our peers.
93. The overall balance of risks to economic growth in the UK is probably neutral.
94. The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively. The Bank of England’s forward guidance should be a good indicator of where interest rates are going.

95. To bring balance to the portfolio funds generated through the Council's cash flow will be invested on the following basis:-

#### **Liquid Funds (approx. £20m)**

This part of the portfolio should be managed at around £20m. This allows for the payment of payroll on dates within the year when grants are delayed due to the 15th being on a weekend (June 2019, September 2019, December 2019, February 2020 and March 2020).

For example this part of the portfolio should be invested in:-

- bank deposits (main accounts, call accounts, notice accounts); and
- potentially Money Market Funds (subject to due diligence and selection process).

#### **Other Specified Investments (approx. £20m)**

Once the liquid funds are in place the Council should continue to invest in other slightly less liquid, but still secure assets, up to a maximum of 1 year. Examples of these assets are:-

- UK Government Treasury Bills, which will have a maturity date of less than 6 months (the maximum term).
- High quality Certificates of Deposit (rank equally with bank deposits re bail in) which provides access to a wider range of higher rated banks.
- High quality bonds issued by banks, with a maturity date of less than 1 year.
- Other Corporate Bonds that meet its minimum investment criteria, with a maturity of less than 1 year.
- Collateralised Deposits (repurchase/Reverse Repurchase) arrangements utilising its existing custodial arrangements with King & Shaxson brokers. This is a method of secured deposit with a bank.

Repo/Reverse Repo is accepted as a form of securitised lending and should be based on the GMRA 2000 (Global Master Repo Agreement). Should the counterparty not meet our senior unsecured rating then a 102% collateralisation would be required. The acceptable collateral is as follows:

Index linked Gilts  
Conventional Gilts  
UK Treasury bills  
Corporate bonds

#### **Non-Specified Investments (Maximum £20m)**

Any core funds that are identified as being available longer term, e.g.reserves should continue to be invested in suitable longer term assets, examples of which are:-

- fixed deposits with banks.
- High quality Certificates of Deposit with a maturity date in excess of 12 months.
- High quality bonds issued by banks, with a maturity date in excess of 12 months.
- Other Corporate Bonds that meet its minimum investment criteria, with a maturity in excess of 12 months.

96. A full list of Specified and Non-Specified investments is in **Appendix E**.

97. Any new Non-Specified investment will require authorisation by the Councils Section 151 Officer, or Deputy. Details of minimum criteria and any additional due diligence required can also be seen in **Appendix E**.

98. Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

	<b>Maximum principal sums invested &gt; 1 year</b>			
<b>£m</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Principal sums invested > 1 year	£20m	£20m	£20m	£20m

### **End of year investment report**

99. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### **Policy on the use of external service providers**

100. Following a competitive tender process the Council has re-awarded its Treasury Consultancy contract to Link Asset Services Treasury Solutions, as its external treasury management advisors until December 2021.
101. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
102. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
103. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Training has been provided in the past and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

### **Prudential Code Update/MHCLG revised guidance**

104. In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. All local authorities will be required to prepare an additional report (Capital Strategy report) from 2019/20 onwards, which is intended to provide the following:
- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
  - an overview of how the associated risk is managed.
  - the implications for future financial sustainability.
- The aim of this report is to ensure that all elected members fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy. The Council Capital Strategy will be approved in the Capital Strategy and Capital Budget 2019/20 – 2022/23 report.
105. In February 2018, MHCLG issued revised investment guidance to include non-treasury investments within the Treasury Management framework. The changes will increase the responsibilities of the Section 151 Officer, especially in respect of non-financial (non-treasury management) investments. This will be reflected in the next update to Financial Procedure Rules.

## OPTIONS CONSIDERED

106. Other options that have been considered and members need to be aware of, when compiling this report, that would affect the investments and borrowing decisions are as follows:-

Options	Likely impact on Income and Expenditure	Likely impact on risk management
1. Invest in a narrower range of institutions and shorter terms	Interest income will be lower	Reduced risk of losses from credit related defaults, but any single loss could be magnified.
2. Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income. Premium to be paid if debt paid down (avoided if the reduction is done, as planned, by not replacing maturing debt).	Reduced investment balance leading to a lower impact in the event of default, however long term interest costs become less certain.
3. Borrow additional sums at long term fixed interest rates	Debt interest costs will rise, this is unlikely to be offset by higher investment income	Reduced interest rate risk. But higher investment balance could lead to a higher impact in the event of a default.
4. Increase level of borrowing	Additional cost of debt interest is likely to exceed additional investment income received.	Under-borrowing uses a combination of reserves and working capital. Any adverse changes to either could lead to cash not being available to fund expenditure. Leading to increased levels of borrowing.
5. Borrow sufficient funds for under-borrowed position	Additional interest costs of up to £0.9m per annum. It should be noted that a proportion of the under-borrowed position has been used to prepay the pension contribution.	Reduced interest rate risk, but significantly higher costs. In addition the higher investment balance could lead to a higher impact in the event of a default.

## REASONS FOR RECOMMENDED OPTION

107. Options 1 & 2 are the recommended option to maximize external interest savings without introducing unacceptable risk.
108. The strategy provides a good balance between our existing, predominantly long maturity profile, to produce additional savings to support front line budgets and service provision. Remaining under-borrowed also reduces the risk of losses from failed investments.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>Treasury Management impacts on all the outcomes; it makes sure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the Council's service activity in line with the Capital Programme.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	

## **RISKS AND ASSUMPTIONS**

109. This strategy report along with the Council's Treasury Management Practice Statements seeks to limit as far as possible the risks associated with the Council's Treasury function. However, the economic climate and financial markets are dynamic, and, can be prone to sharp unexpected movements. The Section 151 Officer and the Council's advisors will continually monitor the environment and act as necessary to limit risk and achieve best value for the Council.
110. Key risks and the actions taken to mitigate those risks are:-
- a. The Council could be unable to borrow when funding is required due to adverse market conditions and/or budgetary restraints. This risk is mitigated by maintaining sufficient easily accessible funds. Further mitigating actions could be scaling back or re-profiling capital expenditure plans if necessary.
  - b. There could be an increased use of reserves and working capital which is currently used to finance the under borrowed position. This risk is mitigated by regular monitoring of the use of reserves and having a robust cash flow forecast, which is monitored on a daily basis.
  - c. Interest rates for borrowing could be higher than forecast. This risk is mitigated by regular monitoring of economic forecasts, consulting with the Councils treasury advisers and reducing the borrowing term. Other sources of borrowing will also be identified if possible.
  - d. The Council could receive a lower than forecast return on its investments. This risk is mitigated by regular monitoring of economic forecasts, consulting with the Councils treasury advisers and regular benchmarking. Investment strategies would then be adjusted by the Section 151 Officer, as appropriate.
  - e. An institute with whom the Council has investments could become insolvent. This risk is mitigated by only investing in financial institutions that meet the Councils minimum criteria. The Council will laso continually monitor the credit ratings of approved institutions and spread investments across a number of financial institutions and assets.
  - f. A financial institution may not repay an investment at maturity date due to an administration error (not insolvency). This is mitigated by maintaining accurate records of all investments placed, including confirmation from the counterparty. Adequate borrowing sources are available to cover any temporary cashflow shortfalls. In addition a proportion of the investments placed will always be instantly accessible.

## **LEGAL IMPLICATIONS [Officer Initials SF Date 17/01/19]**

111. The Council's Treasury Management activities are regulated by a variety of professional codes, statutes and guidance:-
- a. Chapter 1 Part 1 of the Local Government Act 2003 (the Act) provides the powers to borrow as well as providing controls and limits on such capital finance and accounts;
  - b. the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, develops the controls and powers within the Act;



- c. the Regulations require local authorities to have regard to the code of practice entitled the Prudential Code for Capital Finance in Local Authorities published by CIPFA when determining their affordable borrowing limit;
- d. the Regulations also require local authorities to operate its overall treasury function having regard to the code of practice contained in the document entitled Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes published by CIPFA;
- e. the Regulations require local authorities, for each financial year, to make a minimum revenue provision, which they consider to be prudent, in respect of the financing of capital expenditure incurred in that and previous years.

The Treasury Management function is included in the Chief Financial Officer's duties under Section 151 of the Local Government Act 1972 to administer the Council's financial affairs.

**FINANCIAL IMPLICATIONS [Officer Initials AT Date 02/01/2019]**

112. The treasury management budget required for 2019/20 has been reviewed and analysed over the following headings:

	<b>General Fund £'m</b>	<b>HRA £'m</b>
<u>Costs</u>		
Existing External Borrowing	5.112	11.674
Replacement External Borrowing	0.547	0.774
Pension Prepayment	0.205	0.000
New External Borrowing	0.397	0.016
<b>Total Borrowing Costs</b>	<b>6.261</b>	<b>12.464</b>
Other treasury management expenditure	0.255	0.000
<b>Total Costs</b>	<b>6.516</b>	<b>12.464</b>
<u>Income</u>		
HRA recharge	-0.047	0.047
Investment Interest	-0.315	0.000
<b>Net Costs</b>	<b>6.154</b>	<b>12.511</b>

The 2019/20 general fund budget was £6.572m for Treasury Management and after £0.418m of one-off savings that have been included in the 2019/20 revenue budget proposals, the £6.154m referenced in the above table is available for these costs. The HRA interest costs are included in the separate HRA budget report that will be presented to Full Council in March 2019. Specific financial information is included in the body of the report.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials KG Date 11/01/2019]**

113. There are no specific Human Resources implications to this report

**TECHNOLOGY IMPLICATIONS [Officer Initials...PW Date...14/01/19]**

114. There are no technology implications in relation to this report.

**HEALTH IMPLICATIONS [Officer Initials RS Date 10/01/2019]**

115. Treasury management is unlikely to have direct health impacts. However both the borrowing and the investment strategies should take account of any indirect or unintended health impacts. These may arise from investing or borrowing in or from ventures that themselves have health impacts or are linked with other organisations that impact health. The most obvious case is that the council should protect its tobacco control work from the commercial and vested interests of the

tobacco industry by not accepting any partnerships, payments, gifts and services, monetary or in kind or research funding offered by the tobacco industry.

**EQUALITY IMPLICATIONS [Officer Initials CY Date 10/01/18]**

116. The Council must consider and have due regard to the three aims of the general equality duty, when developing and implementing the Treasury Management Strategy. By ensuring that the Treasury Management function is effective we can ensure that the right resources are available at the right time to enable the delivery of services. The equality implications for the revenue and capital budgets are detailed in the respective reports within the agenda papers.

**CONSULTATION**

117. The Council obtains advice from specialist organisations in respect of its treasury management activities. The impact of this is then assessed for its effect on the Council and appropriate action taken as necessary. Consultation has taken place with key financial managers and Executive Board.

118. This report has significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	X

**BACKGROUND PAPERS**

C.I.P.F.A. Code of Practice on Treasury Management (Revised 2017).

C.I.P.F.A. Treasury Management in the Public Services Guidance Notes 2018.

C.I.P.F.A. Prudential Code for Capital Finance in Local Authorities (Revised 2017).

Localism Act 2011.

MHCLG Statutory Guidance Local Government Investments (3<sup>rd</sup> edition), April 2018.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2010 [SI 2010/454].

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**Steve Mawson**  
**Chief Financial Officer & Assistant Director of Finance**

## THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2019/20 – 2022/23

- 1) The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital Expenditure	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
£m	Actuals	Estimates				
Adults, Health & Wellbeing	3,935	6,149	5,181	9,368	5,023	4,394
Finance & Corporate	2,078	13,049	19,469	16,334	12,500	12,500
Learning & Opportunity – Children	7,905	7,265	12,717	13,705	6,759	0
Regeneration & Environment	57,408	45,053	72,867	23,148	3,997	2,468
<b>Non-HRA</b>	<b>71,326</b>	<b>71,516</b>	<b>110,234</b>	<b>62,555</b>	<b>28,279</b>	<b>19,362</b>
<b>HRA</b>	<b>30,400</b>	<b>37,628</b>	<b>24,314</b>	<b>26,116</b>	<b>26,098</b>	<b>25,790</b>
<b>TOTAL</b>	<b>101,726</b>	<b>109,144</b>	<b>134,548</b>	<b>88,671</b>	<b>54,377</b>	<b>45,152</b>

### 2) Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

#### a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Non-HRA	7.14%	8.03%	7.89%	7.42%	6.43%	6.50%
HRA	15.83%	16.04%	17.32%	16.93%	16.37%	16.00%

The estimates of financing costs include current commitments and the proposals in this budget report.

#### b. HRA ratios

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
HRA debt cap £k	269,904	0	0	0	0	0
HRA debt £k	243,223	244,267	266,063	266,063	266,063	266,063
HRA revenues £k	75,154	74,547	73,727	72,223	73,498	74,994
Ratio of debt to revenues %	30.90%	30.52%	27.71%	27.15%	27.62%	28.19%

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
<b>HRA debt £k</b>	243,223	244,267	266,063	266,063	266,063	266,063
<b>Number of HRA dwellings</b>	20,170	20,100	19,958	19,783	19,608	19,433
<b>Debt per dwelling £</b>	12,059	12,153	13,331	13,449	13,569	13,691

#### 4. Maturity Structure of Borrowing

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

£m	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Interest rate exposures</b>					
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Limits on fixed interest rates based on net debt	100%	100%	100%	100%	100%
Limits on variable interest rates based on net debt	30%	30%	30%	30%	30%
<b>Maturity structure of fixed interest rate borrowing 2019/20</b>					
	<b>Lower</b>	<b>Upper</b>	<b>Actuals £k</b>	<b>Actuals %</b>	
Under 12 months	0%	30%	82,690	15.72%	
12 months to 2 years	0%	50%	72,602	13.80%	
2 years to 5 years	0%	50%	20,288	3.86%	
5 years to 10 years	0%	75%	23,253	4.42%	
10 years and above	10%	95%	327,307	62.20%	
<b>Total</b>			<b>526,141</b>	<b>100.00%</b>	
<b>Maturity structure of variable interest rate borrowing 2019/20</b>					
	<b>Lower</b>	<b>Upper</b>	<b>Actuals £k</b>	<b>Actuals %</b>	
Under 12 months	0%	30%	0	0	
12 months to 2 years	0%	50%	0	0	
2 years to 5 years	0%	50%	0	0	
5 years to 10 years	0%	75%	0	0	
10 years and above	10%	95%	0	0	
<b>Total</b>			<b>0</b>	<b>0%</b>	

## Minimum Revenue Position (MRP) Policy Statement

The Council has an annual duty to charge an amount of MRP to the General Fund Revenue Account which it considers to be a prudent provision. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers. The guidance on MRP allows different options for the calculation of MRP as below:

- 1) Regulatory method
- 2) CFR method
- 3) Asset Life method, using either
  - a) Equal instalment method
  - b) Annuity method
- 4) Depreciation method

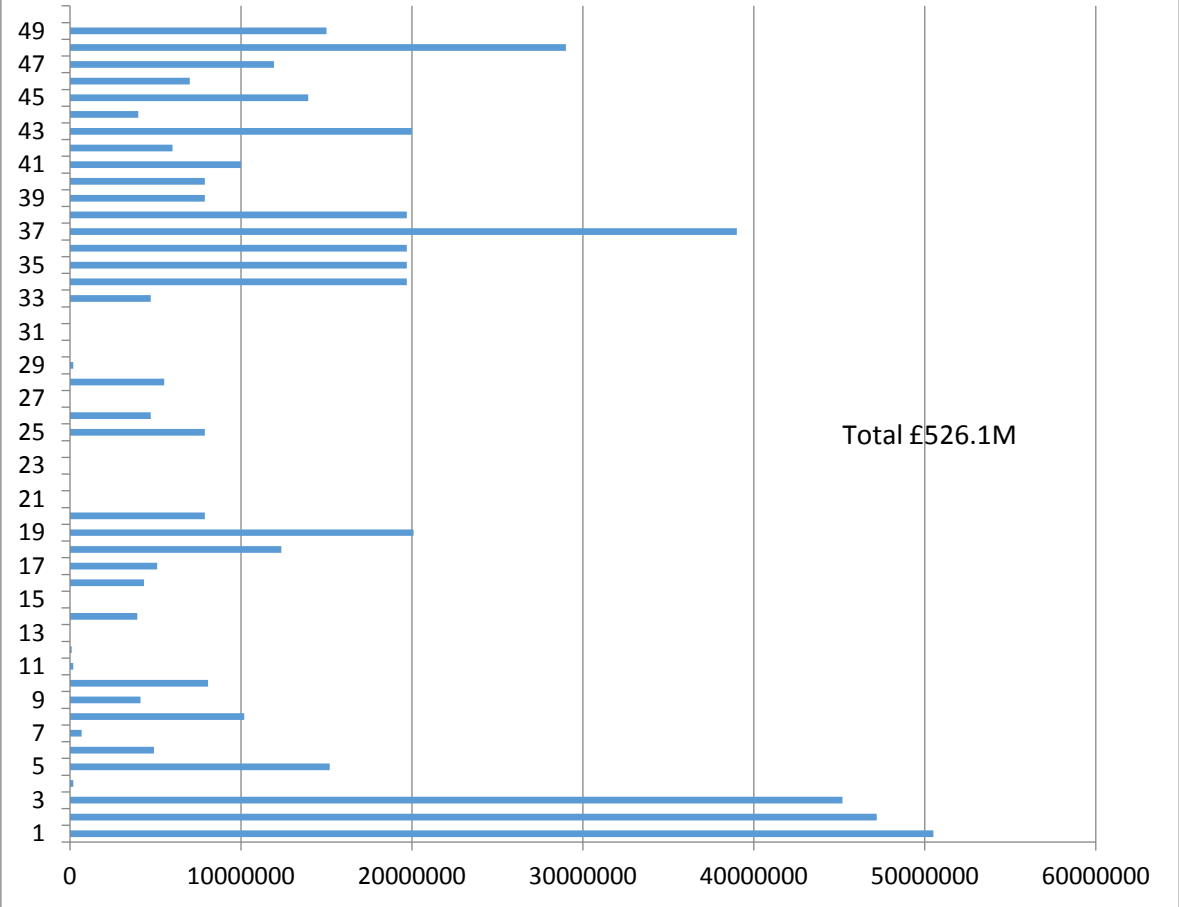
### Doncaster Council 2019/20 MRP Policy

The Council adopts the most appropriate method of calculating and charging MRP for the specific asset. Methods used include either:

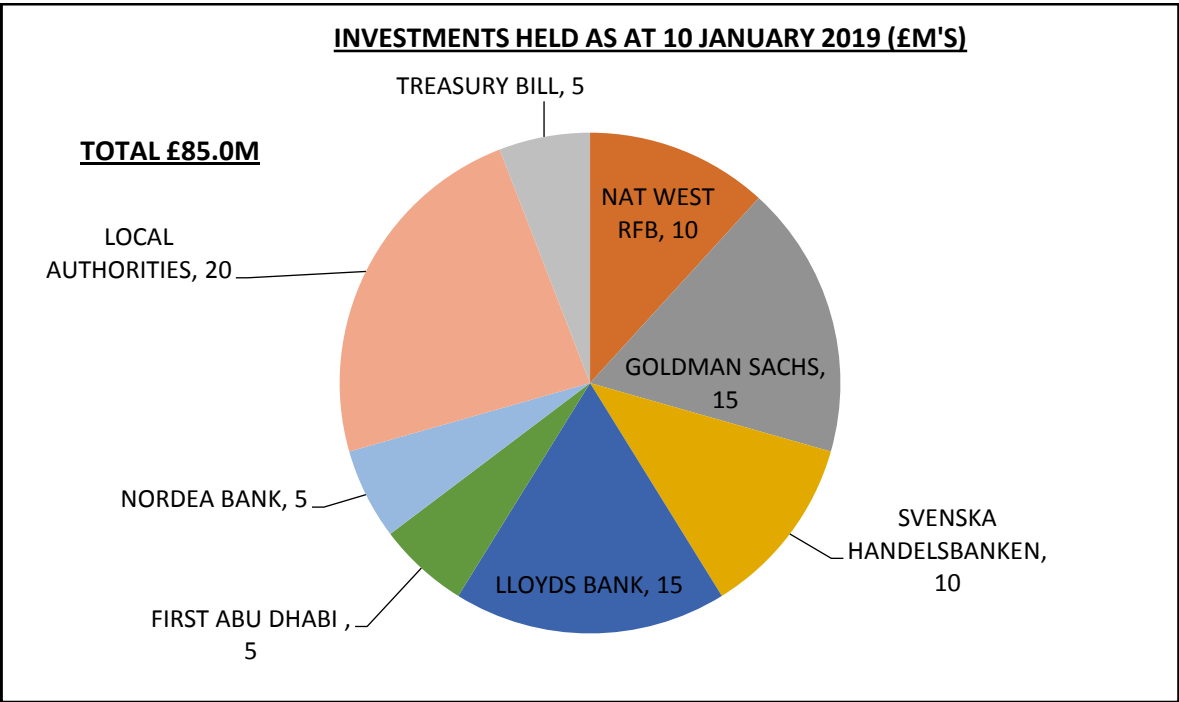
- **Asset Life method – Equal instalment method** (option 3a); or
- **Asset Life method - Annuity method** (option 3b); or
- **Depreciation method** (option 4).

**MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2019 the total MRP overpayments are estimated to be £33.986m.

**DONCASTER MBC FORECAST BORROWING**  
**PORTFOLIO AS AT 31/03/19**



**INVESTMENTS HELD AS AT 10 JANUARY 2019 (£M'S)**



**Interest Rate Forecasts**

Bank Rate	Now	Mar 2019	Mar 2020	Mar 2021
Actual FEB 19	0.75%	-	-	-
Link Asset Services view.	0.75%	0.75%	1.00%	1.50%
Capital Economics(CE)	0.75%	0.75%	1.50%	-
<b>5Yr PWLB Rate</b>	<b>PWLB rates and forecasts below take into account the 0.20% Certainty rate deduction effective as of 01/11/12.</b>			
Actual FEB 19	1.65%	-	-	-
Link Asset Services view.	1.65%	1.80%	2.20%	2.50%
Capital Economics(CE)	1.65%	1.80%	2.50%	-
<b>10Yr PWLB Rate</b>	<b>PWLB rates and forecasts below take into account the 0.20% Certainty rate deduction effective as of 01/11/12.</b>			
Actual FEB 19	2.00%	-	-	-
Link Asset Services view.	2.00%	2.20%	2.60%	2.90%
Capital Economics(CE)	2.00%	2.20%	2.80%	-
<b>25Yr PWLB Rate</b>	<b>PWLB rates and forecasts below take into account the 0.20% Certainty rate deduction effective as of 01/11/12.</b>			
Actual FEB 19	2.53%	-	-	-
Link Asset Services view.	2.53%	2.70%	3.10%	3.40%
Capital Economics(CE)	2.53%	2.70%	3.30%	-
<b>50Yr PWLB Rate</b>	<b>PWLB rates and forecasts below take into account the 0.20% Certainty rate deduction effective as of 01/11/12.</b>			
Actual FEB 19	2.38%	-	-	-
Link Asset Services view.	2.38%	2.50%	2.90%	3.20%
Capital Economics(CE)	2.38%	2.60%	3.20%	-

**TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT OPTION 1**

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum ‘high’ quality criteria where applicable.

**NON-SPECIFIED INVESTMENTS:** These are any investments which do not meet the specified investment criteria. A maximum of 30% of the investment pool will be held in aggregate in non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

**SPECIFIED INVESTMENTS:**

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Maximum % of total investments or maximum Amount per institution	Max. maturity period
Term deposits and other instruments with local authorities	N/a	£30m (maximum of £5m per authority)	12 months
Term deposits with banks and building societies	Yellow Purple Orange Red Green No Colour	£50m £40m £30m £20m £10m nil	12 months 12 months 12 months 6 months 100 days Not for use
Term Deposits with UK part nationalised banks	Blue	£30m	12 months
Certificates of Deposit or corporate bonds with banks and building societies	Yellow Purple Orange Blue Red Green No Colour	£50m £40m £30m £30m £20m £10m nil	12 months 12 months 12 months 12 months 6 months 100 days Not for use
Bonds issued by multilateral development banks	UK sovereign rating	100%	12 months
UK Government Gilts	UK sovereign rating	100%	12 months
UK Government Treasury Bills	UK sovereign rating	100%	6 months



Debt Management Agency Deposit Facility	--	100%	6 months
Collateralised deposit (Reverse Repurchase) (see note 2)	UK sovereign rating	100%	12 months
Bond issued by a financial institution which is explicitly guaranteed by the UK Government e.g. National Rail	UK sovereign rating	100%	12 months
Sovereign bond issues (other than the UK govt)	UK sovereign	100%	12 months
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -</b>			
Government Liquidity Funds	AAA MMF rating	100%	Liquid
Money market funds (CNAV/LVNAV or VNAV)	AAA MMF rating	100%	Liquid
Enhanced Cash Funds with a credit score of 1.25	Fitch rating Short term F1, long Term A- or equivalent	100%	Liquid
Enhanced Cash Funds with a credit score of 1.5	Fitch rating Short term F1, long Term A- or equivalent	100%	Liquid
Bond Funds	Fitch rating Short term F1, long Term A- or equivalent	100%	Liquid
Gilt Funds	Fitch rating Short term F1, long Term A- or equivalent	100%	Liquid

Note 1. If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

N.B. buy and hold may also include sale at a financial year end and repurchase the following day in order to accommodate the requirements of the Accounting Code of Practice.

Note 2. As collateralised deposits are backed by collateral such as UK Gilts, corporate bonds, etc. this investment instrument is regarded as being a AA rated investment as it is equivalent to lending to the UK Government.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

**NON-SPECIFIED INVESTMENTS:** A maximum of 30% will be held in aggregate in non-specified investment

Maturities in excess of 1 year

	Minimum 'High' Credit Criteria	Maximum % of total investments or maximum Amount per institution	Max. maturity period
Term deposits and other instruments with local authorities	N/a	£20m (maximum of £5m per authority)	5 years
Term deposits with banks and building societies	Yellow Purple Orange Red Green	£50m £40m £30m £20m £10m	5 years 4 years 3 years 2 years 1 year
Term Deposits with UK part nationalised banks	Blue	£30m	5 years
Certificates of Deposit or corporate bonds with banks and building societies	Yellow Purple Orange Blue Red Green	£50m £40m £30m £30m £20m £10m	5 years 4 years 3 years 5 years 2 years 1 year
Bonds issued by multilateral development banks	UK sovereign rating	£5m	5 years
UK Government Gilts	UK sovereign rating	100%	50 years
Collateralised deposit (Reverse Repurchase)	UK sovereign rating	100%	5 years
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government e.g. National Rail	UK sovereign rating	£20m	10 years
Commercial Paper Other	Fitch rating Short term F1, long Term A- or equivalent	£20m	10 years
Corporate Bonds	Fitch rating Short term F1, long Term A- or equivalent	£20m	10 years
Sovereign bond issues (other than the UK govt)	UK sovereign	£20m	5 years
Bond Funds	Fitch rating Short term F1, long Term A- or equivalent	£20m	10 years
Gilt Funds	Fitch rating Short term F1, long Term A- or equivalent	£20m	10 years

	Minimum 'High' Credit Criteria	Maximum % of total investments or maximum Amount per institution	Max. maturity period
Municipal Bonds	UK sovereign rating	£5m	5 years
Floating Rate Notes	Fitch rating Short term F1, long Term A- or equivalent	£5m	5 years
Covered Bonds	Fitch rating Short term F1, long Term A- or equivalent	£5m per bond	10 years
Unrated Bonds	**Non-rated internal due diligence	£5m per bond	10 years
Loans to Third Parties	**Non-rated internal due diligence	£5m	50 years
Churches, Charities and Local Authorities (CCLA) Property Fund	**Non-rated internal due diligence	£5m	10 years
Property Funds*	**Non-rated internal due diligence	£5m	10 years

\*The use of these instruments can be deemed capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

\*\*Due Diligence will include the following, if available, however the list isn't intended to be exhaustive:-

- Capitalisation of the organisation,
- Revenue profits and margin trends,
- Competitors and industry,
- Valuation multiples e.g. price/earnings ratio,
- Management and share ownership and track records,
- Balance sheet analysis,
- Examination of future plans and expectations,
- Stock options and dividend policy.

## APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings equivalent to the UK or higher (based on two out of three ratings from the agencies Fitch, Moody's and S&P) and have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services Treasury Solutions credit worthiness service.

<b>AAA</b>	<b>AA+</b>	<b>AA</b>
Australia, Canada, Denmark	Finland	Abu Dhabi (UAE)
Germany, Luxembourg, Netherlands,	USA	France
Norway, Singapore, Sweden		Hong Kong
Switzerland		UK

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## Doncaster Council

### Report

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To the Chair and Members of the  
**COUNCIL**

Date: 4<sup>th</sup> March 2019

### COUNCIL TAX SETTING AND STATUTORY RESOLUTIONS 2019/20

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

#### EXECUTIVE SUMMARY

1. This report sets out how the Council Tax is calculated and makes recommendations regarding Doncaster's Council Tax requirement for 2019/20.
2. It is proposed that Doncaster Council's element of the Band D Council Tax charge is increased by 4.99% (2.99% Council Tax increase and a further 2.00% increase through the Government's Social Care 'precept') to £1,351.43 (£900.95 for a Band A).
3. The overall increase will mean an additional £64.23 for Band D Council Tax per annum, £1.23 per week (£42.82 for Band A per annum, £0.82 per week).

#### EXEMPT REPORT

4. Not applicable.

#### RECOMMENDATIONS

5. Council is requested to approve a Band D Council Tax for 2019/20 of £1,351.43 for Doncaster Council services. Council is also requested to pass the appropriate Statutory Resolutions, as set out and recommended at Appendix B, which incorporate the Council Taxes of the Joint Authorities and which, taken together with Doncaster's 4.99% increase, represent a 5.91% increase from the 2018/19 Council Tax for Doncaster residents.

#### WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. The citizens of Doncaster can expect to see their Council Tax for Council services increase by 4.99%. The Police and Fire increases are 14.10% and 2.99% respectively, making an overall increase of 5.91% (see table at paragraph 22).
7. The average Parish Council Tax across the whole Doncaster Council area has increased by 3.74%.

8. The Government have indicated that there will be no referendum principles for Parish Councils for 2019/20 but that these could be introduced for future years if necessary, to 'provide protection for local taxpayers'.

## BACKGROUND

9. The Council, under the Local Government Finance Act 1992, is required to set the Council Tax for its area. The amount is based upon the capital value of each dwelling calculated by reference to their capital value at 1<sup>st</sup> April, 1991 prices. Properties are placed in one of eight valuation bands by the Valuation Office Agency which is part of Her Majesty's Revenues and Customs: -

	<b>Open Market Value as at 1<sup>st</sup> April 1991</b>
<b>Band A</b>	Not exceeding £40,000
<b>Band B</b>	Over £40,000 but no exceeding £52,000
<b>Band C</b>	Over £52,000 but not exceeding £68,000
<b>Band D</b>	Over £68,000 but not exceeding £88,000
<b>Band E</b>	Over £88,000 but not exceeding £120,000
<b>Band F</b>	Over £120,000 but not exceeding £160,000
<b>Band G</b>	Over £160,000 but not exceeding £320,000
<b>Band H</b>	Exceeding £320,000

10. When Council Tax proposals were first issued by the Government in April, 1991 it was estimated that the average property value in England was about £80,000. Such a property would be in Band D and as a result, many of the calculations are carried out by reference to Band D. For example, when the level of Council Tax is calculated, a Band D Tax is calculated initially and the taxes for all other bands are then calculated as proportions of that. Council Tax is based on two or more adult occupants occupying the property as their sole or main residence. In appropriate circumstances, where a single adult occupies a property as their sole or main residence, a 25% single person discount can be awarded.
11. The table below shows, for Doncaster, the number and percentage of dwellings in each band which were shown in the Valuation List as at the 3<sup>rd</sup> December 2018 when the Tax Base was calculated: -

	<b>Number</b>	<b>Percentage</b>
<b>Band A</b>	80,493	58.60
<b>Band B</b>	24,869	18.11
<b>Band C</b>	15,049	10.96
<b>Band D</b>	9,238	6.72
<b>Band E</b>	4,572	3.33
<b>Band F</b>	2,102	1.53
<b>Band G</b>	908	0.66
<b>Band H</b>	128	0.09
<b>Total</b>	<b>137,359</b>	<b>100.00</b>

12. As such a high percentage of dwellings in Doncaster are in the lower bands (87.67% are banded below the average Band of D), this has the effect of considerably reducing the amount of income the Council can achieve from Council Tax.

## **Council Tax Calculation – Doncaster MBC Services**

13. Doncaster Council is a “billing authority”; this means the Council is responsible for preparing the Council Tax Base, setting the Council Tax, billing and collection of Council Tax and maintaining the Collection Fund.
14. The Police and Fire authorities and Parishes calculate and set their own elements and Doncaster, as the billing authority, then formally sets the overall tax by adding the elements together.
15. The billing authority has to maintain a Collection Fund; this is a separate statutory account from the General Fund. The Collection Fund receives Council Tax and Business Rates income and pays out the demands and precepts made upon it by the Council, the Police and Crime Commissioner, the South Yorkshire Fire and Rescue Authority, Central Government and Parish Councils for Council Tax and Business Rates.
16. The Council Tax Base of an equivalent of 82,776 Band D properties for 2019/20 was approved by the Chief Financial Officer and Assistant Director of Finance on 18<sup>th</sup> December 2018; this is recorded in an Officer Decision Record. This is an increase of 2,104 Band D equivalent properties to the Tax Base.
17. The financial year 2019/20 is the seventh year since major changes to the funding arrangements for Local Government came into effect. The changes affected the way Council Tax bases were calculated and removed certain discounts and exemptions and replaced them with discretionary powers to grant discounts and charge premiums on long term empty properties and brought local Council Tax Support into the calculation of the Tax Base.
18. The gross revenue expenditure budget for 2019/20 will be £495.2m, which covers all funding sources, including Retained Business Rates, Government Top-Up Grant, Revenue Support Grant, Council Tax, Collection Fund surplus, Specific Grants, Customer and Client Receipts and other income. The figure provided for the Collection Fund surplus for Council Tax is in accordance with legislative requirements to return surpluses on the Collection Fund to taxpayers and precepting authorities.
19. Appendix A shows how the Council Tax is calculated for the Council's services. The Government Top-Up Grant and Revenue Support Grant income included in the calculation is that notified to the Council by the Government on 29<sup>th</sup> January 2019.
20. Dividing the Council Tax Base into the net amount required from Council Tax payers, excluding Parish Precepts, gives a Council Tax (Band D) for the Council's own services of £1,351.43, a 4.99% increase (£1,287.20 in 2018/19).

## **Joint Authority Precepts and Council Taxes**

21. The South Yorkshire Fire and Rescue Authority met on 11<sup>th</sup> February 2019 to set its precept and Council Tax. It has notified the Council of a Band D Council Tax of £73.13 for 2019/20 which equates to an increase of £2.12 from 2018/19 (a 2.99% increase). At the time of the drafting of this report the South Yorkshire Police and Crime Commissioner had yet to formally set its precept. It has however proposed a Band D Council Tax of £194.16 for 2019/20 which equates to an increase of £24.00 from 2018/19 (a 14.10% increase which, although more than the general referendum limit, will not trigger a referendum. This is because the Government has made an exception for Police and Crime Commissioners to increase their precept by up to £24.00 and the South Yorkshire Police & Crime Commissioner qualifies under this rule). The Police and Crime Commissioner has a legal obligation to notify the council of its 2019/20 Council Tax and precept by

28<sup>th</sup> February 2019 and it is anticipated therefore that formal notification from the South Yorkshire Police and Crime Commissioner will have been received prior to Council considering this report on 4<sup>th</sup> March 2019. The increases notified and proposed by the Joint Authorities have been included in the resolutions set out at Appendix B. Appendix B will be updated as necessary following receipt of the formal notification from the Police and Crime Commissioner.

22. The table below shows the total Council Tax for Doncaster residents is £1,618.72 (£1,528.37 in 2018/19) for a Band D property, assuming the Council approves the Council Tax of £1,351.43 for Doncaster Council services. When the Joint Authority Council Tax increases are combined with the 4.99% increase for Doncaster Council, this represents a 5.91% increase from the 2018/19 Council Tax for Doncaster residents.

	<b>2018/19 Band D £</b>	<b>2019/20 Band D £</b>	<b>Increase %</b>	<b>Annual Increase Band A £</b>	<b>Annual Increase Band D £</b>
Doncaster	1,287.20	1,351.43	4.99	42.82	64.23
S.Y. Police	170.16	194.16	14.10	16.00	24.00
S.Y. Fire	71.01	73.13	2.99	1.41	2.12
<b>Total</b>	<b>1,528.37</b>	<b>1618.72</b>	<b>5.91</b>	<b>60.23</b>	<b>90.35</b>

### **Localisation of Council Tax Support and Parish Council Taxes**

23. The Council Tax Benefit system was abolished and replaced with a Localised Council Tax Support (LCTS) Scheme from April 2013, which is now classed as a Council Tax discount in the Tax Base, similar to the single person's discount. This has had the effect of reducing the Council Tax Base. Under this Scheme each Council in 2013/14 received a fixed grant to partly compensate for the reduction in Council Tax income resulting from the lower Council Tax Base due to this new discount. Government figures show that the Council received grant funding of £17.1m (£16.8m for the Council and £0.3m for parishes) to fund this in 2013/14, although the grant only covered 90% of the 2012/13 benefits and protected pensioners. This grant funding formed part of the Council's Baseline Funding for 2013/14, comprising Retained Business Rates, Revenue Support Grant and Top-Up Grant. Since the 2013/14 Finance Settlement the Government has not published revised grant allocations for these headings and does not intend to in future, even though Central Government funding for local authorities has continued to reduce significantly. The Local Council Tax Support Scheme for Doncaster from 1 April 2019 was considered and approved by Council on 24 January 2019.
24. Changes to Parish Council Taxes are included in Appendix C below and a summary of increases is set out in the table below. The average Band D Parish Council Tax across the whole Doncaster Council area has increased from £27.30 in 2018/19, to £28.32 in 2019/20, an increase of 3.74%. The Government have confirmed that the referendum principles applying to local authorities and major preceptors, will not apply to Parish Councils until at least 2020/21.
25. Council approved an annual reduction in the grant it distributes to Parish Councils of 10% in 2015/16 and 2016/17, having made no reduction in 2014/15 when the Council's grant was cut by 10% (Revenue Budget 2015/16 Report – agenda item 7) or in 2017/18. The remainder of the grant will be phased out from its current level of £252k in 2017/18 to zero in 2020/21 – reductions of £64k in 2018/19 and £94k in both 2019/20 and 2020/21.
26. A summary of the increases in Parish precepts for 2019/20 is shown in the table below: -



Percentage Increase	No. of Parishes	% of the Total
Freeze or Reduction	10	25.6
0% - 5%	17	43.6
5% - 10%	4	10.3
10% - 20%	5	12.8
More than 20%	3	7.7
<b>Total</b>	<b>39</b>	<b>100.0</b>

### Statutory Resolutions

27. The Statutory Resolutions at Appendix B are set out for Council approval in accordance with the requirements of the Local Government Finance Act 1992.

### OPTIONS CONSIDERED & REASONS FOR RECOMMENDED OPTION

28. Are covered in the Budget report on the agenda item ahead of this report.

### IMPACT ON THE COUNCIL'S KEY OUTCOMES

29. These are detailed in the table below: -

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>Council Tax is a key element of the Council's budget which impacts on all priorities.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	

	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	
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**RISKS AND ASSUMPTIONS**

30. Not applicable.

**LEGAL IMPLICATIONS [Officer Initials NC Date 19/02/2019 ]**

31. The Local Government Finance Act 1992 places a duty on Local Authorities to set an amount of Council Tax on or before 10th March, in the financial year preceding that for which it is set. The setting of the Tax involves a series of processes and calculations resulting in a separate amount of Tax for properties in each of the eight bands (A to H) in which properties have been valued under the 1992 Act.

32. The Localism Act 2011 introduced a new Chapter into the Local Government Finance Act 1992, which makes provision for Council tax referendums to be held if an authority increases its Council tax by an amount exceeding principles determined by the Secretary of State. By Regulation, the Government allows Councils to raise Council Tax by a maximum amount. Any further increases would require a local referendum to be held on the increase. In December 2018, the Government confirmed that a unitary authority must hold a referendum if council tax is to be increased by 5% or more (Council tax for general spending requires a referendum if it rises by 3% or more, alongside a maximum 2% social care precept). The Council Tax levels proposed by Doncaster do not exceed that level and if approved by Council may be implemented without the need for a referendum.

**FINANCIAL IMPLICATIONS [Officer Initials...AT Date... 13/02/2019 ]**

33. These are contained in the body of the report and the appendices.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials...KG Date... 12/02/2019 ]**

34. There are no specific HR implications relating to the content of this report.

**TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 14/02/19 ]**

35. There are no technology implications that cannot be managed through the Northgate Revenues and Benefits System. A bi annual upgrade of this system to deliver the statutory changes is currently underway.

36. The choices the council makes in raising revenue will impact on the health of the population. Decision makers should balance the requirement to raise resource as part of the overall funding of council activities and the health benefits that may arise though the use of council tax across a range of service areas (bearing in mind in general 20% of what contributes to health and wellbeing is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment) with the health benefits that directly arise from improving the standard of living for Doncaster residents through ensuring the local council tax burden is fairly distributed.

## **EQUALITY IMPLICATIONS**

37. In taking this decision, Members must be aware of their obligations under Section 149 of the Equality Act 2010. This Section contains the Public Sector Equality Duty (PSED). It obliges public authorities, when exercising their functions, to have 'due regard' to the need to:-

- a. eliminate discrimination, harassment and victimisation and other conduct which the Act prohibits;
- b. advance equality of opportunity;
- c. foster good relations between people who share relevant protected characteristics and those who do not; and
- d. the relevant protected characteristics under the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

38. In setting out the recommendation, it is essential that Members keep an open mind. A final decision can only be made when the decision-makers fully understand and have 'due regard' to the potential impact of their decision on people with relevant protected characteristics under the Public Section Equality Act Duty. The decision-makers must consciously and actively consider the relevant matters in such a way that it influences the decision-making.

## **CONSULTATION**

39. The report follows on from the Revenue Budget 2019/20 report and deals primarily with mathematical calculations to approve the Council Tax and the Council Tax requirement as set out in legislation.

### **Referenda**

40. The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 and requires the Council to set a Council Tax requirement for 2019/20. This requirement is to help the Council to determine if it has set an excessive Council Tax increase that would in turn trigger a local referendum.

41. Authorities are required to seek approval of their electorate in a referendum if any proposed tax increase exceeds the principles set by Parliament. The Government have confirmed the Council Tax Referendum Cap at 5.0% for 2019/20 for all authorities who have decided to implement up to the maximum 2.0% increase ring fenced precept to fund Adult Social Care for 2019-20. The referendum cap would apply on the Band D Tax of the Authority without any adjustments being made for levying bodies such as the Sheffield City Region Combined Authority Transport Levy.

42. Section 52ZB(a) of the Local Government Finance Act 1992 provides for the holding of a referendum where a Local Authority in England sets an excessive increase in its relevant basic amount of Council Tax for a financial year. The set of principles determined by the Secretary of State on whether the Council Tax is excessive for the financial year beginning 1st April 2019 is provided for in section 52ZC(1) of the Local Government Finance Act 1992. The arrangements for any referendum is contained in section 52Z(g). The change to the use of the actual Band D Tax of the Authority is provided for by Section 41 of the Local Audit and Accountability Act 2014 which came into force on the 30<sup>th</sup> January 2014 and the Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012 as amended. The Referendums relating to Council Tax Increases (Principles) (England) Report 2019/20 sets the referendum limit at 5% for an Adult Social Care authority.
43. The Government have indicated that there will be no referendum principles for Parish Councils for 2019/20 but that these could be introduced for future years if necessary, to 'provide protection for local taxpayers'.
44. The proposed Council Tax increase of 4.99% for this year presents no risk of a referendum being required. Details of the calculation are set out below:-

<b>Tax Base 2018/19 (80,672 Properties) Tax Base 2019/20 (82,776 Properties)</b>	<b>2018/19 £M</b>	<b>2018/19 Amount per Band D Property £</b>	<b>2019/20 £M</b>	<b>2019/20 Amount per Band D Property £</b>
Total Council Tax Requirement	103.841	1,287.20	111.866	1,351.43
% Change in Council Tax for Referendum Assessment	4.99			

45. The Ministry of Housing, Communities & Local Government (MHCLG) have laid regulations on the 12<sup>th</sup> January 2017. The Council Tax (Demand Notices) (England) (Amendment) Regulations 2017, which amend the 2011 regulations, specify the detail they require to be shown on the Council Tax bill to cover the details of the new Social Care precept and what is required in supporting information. The regulations which came into force on the 10<sup>th</sup> February 2017 specify that any increase, when compared to the previous year, must be shown to one decimal place. This means that a % increase of 4.95% or above would be shown as 5.0% on the face of the Council Tax bill. This is purely a rounding issue and presents no risk of a referendum being required.

## **BACKGROUND PAPERS**

- The Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012 as amended by SI 2013/409 and SI 2014/231
- Local Government Finance Act 1992, chapter 4ZA, Sections 52Z(b) to 52Z(g) chapter 4ZA
- The Local audit and Accountability Act 2014
- The Referendums Relating to Council Tax Increases (Principles) (England) Report 2019/20
- The Council Tax (Demand Notices) (England) Regulations 2011 as amended by SI 2017/13
- The Council Tax (Demand Notice) (Amendment) Regulations 2017

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**CALCULATION OF COUNCIL TAX FOR COUNCIL SERVICES**

	2018/19		2019/20	
	Total £million	Per Band D Equivalent £	Total £million	Per Band D Equivalent £
Gross Budget	477.623	5,920.55	495.244	5,982.94
<b>Less:</b>				
<i>Gross Retained Business Rates</i>	46.740		45.578	
<i>Adjustment for Business Rates Collection Fund Deficit</i>	-0.303		-1.055	
Net Retained Business Rates	46.437	575.63	44.523	537.87
Revenue Support Grant	28.131	348.71	20.041	242.11
Government Top Up Grant	33.527	415.60	34.296	414.32
Housing Benefit Grant	63.175	783.11	60.250	727.87
Public Health Grant	23.809	295.13	23.180	280.03
Specific Grants	64.066	794.15	78.473	948.02
Customer and Client Receipts	50.387	624.59	51.146	617.88
Other Income <sup>1</sup>	61.395	761.04	65.384	789.90
Council Tax Collection Fund Surplus	2.855	35.39	2.855	34.49
Use of one-off Uncommitted Reserves	0.000	0.00	3.230	39.02
<b>Council Tax Payers (Council Tax Requirement)</b>	<b>103.841</b>	<b>1,287.20</b>	<b>111.866</b>	<b>1,351.43</b>

Note that figures are subject to rounding.

<sup>1</sup> Other income includes income from Continuing Health Care Contributions from the NHS and Section 256 and Section 75 Agreements with the NHS (Better Care Fund), income from Other Local Authorities (OLAs) such as Rotherham MBS in respect of Waste PFI credits and the Coroners Service and from OLAs where their children are placed in schools maintained by Doncaster MBC, as well as income from charges made to schools (including academies), the Housing Revenue Account, St Leger Homes, Housing Associations and the Children's Services Trust.

## COUNCIL TAX 2019/20

## Recommended:-

1.

(a) That it be noted that the Council has calculated the amount of **82,776** as its Council Tax Base for the year 2019/2020 in accordance with Item T of the formula in Section 31B of the Local Government Finance Act 1992, as amended, and Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended:-

(b)

<u>Part of the Council's Area</u>	<u>2019/20 Tax Base</u>
Adwick on Dearne	115
Armthorpe	3,840
Askern	1,351
Auckley	1556
Austerfield	217
Barnburgh and Harlington	646
Barnby Dun with Kirk Sandall	2,704
Bawtry	1,374
Blaxton	448
Braithwell with Micklebring	444
Brodsworth	769
Burghwallis	134
Cantley with Branton	1,411
Clayton with Frickley	94
Conisbrough Parks	120
Denaby	131
Edenthorpe	1,470
Edlington	1,859
Finningley	709
Fishlake	251
Hampole and Skelbrooke	86
Hatfield	4,136
Hickleton	110
High Melton	105
Hooton Pagnell	96
Loversall	58
Moss and District	308
Norton	1,372
Owston	63
Rossington	3,473
Sprotbrough and Cusworth	3,895
Stainforth	1,306
Stainton	116
Sykehouse	193
Thorne – Moorends	4,315
Thorpe in Balne	77
Tickhill	2,093
Wadworth	389
Warmsworth	1,137

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more Parish precepts relate.

2. Calculate that the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) is £111,865,970.

3. That the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992: -
- (a) **£653,747,873** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all Parish precepts;  
(Gross expenditure of the Council, including schools, the Housing Revenue Account and Parishes)
  - (b) **£539,538,030** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;  
(Gross expenditure of the Council, including schools, the Housing Revenue Account and Parishes)
  - (c) **£114,209,843** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year;  
(Item R in the formula in Section 31B of the Act)  
(Council Tax requirement including Parishes)
  - (d) **£1,379.75** being the amount at 3(c) above, (Item R) all divided by (Item T) 1(a) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;  
(Including Parish Precepts)
  - (e) **£2,343,873** being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act. (Appendix C)
  - (f) **£1,351.43** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T at 1(a) above, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates;  
(Council Tax at Band D for Doncaster MBC services)



(g)

<u>Part of the Council's Area</u>	<u>2019/20</u> <u>£</u>
Adwick on Dearne	1389.37
Armthorpe	1409.43
Askern	1420.39
Auckley	1376.10
Austerfield	1391.29
Barnburgh and Harlington	1395.83
Barnby Dun with Kirk Sandall	1384.86
Bawtry	1387.82
Blaxton	1404.47
Braithwell with Micklebring	1363.23
Brodsworth	1406.14
Burghwallis	1392.26
Cantley with Branton	1379.49
Clayton with Frickley	1402.32
Conisbrough Parks	1386.94
Denaby	1366.64
Edenthorpe	1379.87
Edlington	1420.07
Finningley	1388.21
Fishlake	1491.08
Hampole and Skelbrooke	1360.31
Hatfield	1399.34
Hickleton	1406.24
High Melton	1382.17
Hooton Pagnell	1397.37
Loversall	1374.29
Moss and District	1370.54
Norton	1391.67
Owston	1373.65
Rossington	1405.30
Sprotbrough and Cusworth	1397.03
Stainforth	1483.24
Stainton	1375.91
Sykehouse	1390.09
Thorne – Moorends	1464.79
Thorpe in Balne	1364.12
Tickhill	1383.94
Wadworth	1400.27
Warmsworth	1394.61

being the amounts given by adding the amount at 3(f) above the amounts of the Parish Precepts relating to dwellings in those parts of the Council's area mentioned above, divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the (Local Government Finance Act 1992) as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which Parish Precepts relate.

(h)

<u>Part of the Council's Area</u>	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
<b>DONCASTER</b>	<b>900.95</b>	<b>1051.11</b>	<b>1201.27</b>	<b>1351.43</b>	<b>1651.75</b>	<b>1952.07</b>	<b>2252.38</b>	<b>2702.86</b>
(except where specified below)								
Adwick on Dearne	926.24	1080.62	1234.99	1389.37	1698.12	2006.87	2315.61	2778.74
Armthorpe	939.62	1096.22	1252.83	1409.43	1722.64	2035.85	2349.05	2818.86
Askern	946.92	1104.75	1262.57	1420.39	1736.03	2051.68	2367.31	2840.78
Auckley	917.40	1070.30	1223.20	1376.10	1681.90	1987.70	2293.50	2752.20
Austerfield	927.52	1082.11	1236.70	1391.29	1700.47	2009.65	2318.81	2782.58
Barnburgh and Harlington	930.55	1085.64	1240.74	1395.83	1706.02	2016.20	2326.38	2791.66
Barnby Dun with Kirk Sandall	923.24	1077.11	1230.99	1384.86	1692.61	2000.36	2308.10	2769.72
Bawtry	925.21	1079.41	1233.62	1387.82	1696.23	2004.63	2313.03	2775.64
Blaxton	936.31	1092.36	1248.42	1404.47	1716.58	2028.68	2340.78	2808.94
Braithwell with Micklebring	908.82	1060.29	1211.76	1363.23	1666.17	1969.11	2272.05	2726.46
Brodsworth	937.42	1093.66	1249.90	1406.14	1718.62	2031.10	2343.56	2812.28
Burghwallis	928.17	1082.87	1237.56	1392.26	1701.65	2011.05	2320.43	2784.52
Cantley with Branton	919.66	1072.93	1226.21	1379.49	1686.05	1992.60	2299.15	2758.98
Clayton with Frickley	934.88	1090.69	1246.51	1402.32	1713.95	2025.58	2337.20	2804.64
Conisbrough Parks	924.62	1078.73	1232.83	1386.94	1695.15	2003.36	2311.56	2773.88
Denaby	911.09	1062.94	1214.79	1366.64	1670.34	1974.04	2277.73	2733.28
Edenthorpe	919.91	1073.23	1226.55	1379.87	1686.51	1993.15	2299.78	2759.74
Edlington	946.71	1104.50	1262.28	1420.07	1735.64	2051.22	2366.78	2840.14
Finningley	925.47	1079.72	1233.96	1388.21	1696.70	2005.20	2313.68	2776.42
Fishlake	994.05	1159.73	1325.40	1491.08	1822.43	2153.79	2485.13	2982.16
Hampole and Skelbrooke	906.87	1058.02	1209.16	1360.31	1662.60	1964.90	2267.18	2720.62
Hatfield	932.89	1088.37	1243.86	1399.34	1710.31	2021.27	2332.23	2798.68
Hickleton	937.49	1093.74	1249.99	1406.24	1718.74	2031.24	2343.73	2812.48
High Melton	921.44	1075.02	1228.59	1382.17	1689.32	1996.47	2303.61	2764.34
Hooton Pagnell	931.58	1086.84	1242.11	1397.37	1707.90	2018.43	2328.95	2794.74
Loversall	916.19	1068.89	1221.59	1374.29	1679.69	1985.09	2290.48	2748.58
Moss and District	913.69	1065.97	1218.26	1370.54	1675.11	1979.67	2284.23	2741.08
Norton	927.78	1082.41	1237.04	1391.67	1700.93	2010.19	2319.45	2783.34
Owston	915.76	1068.39	1221.02	1373.65	1678.91	1984.17	2289.41	2747.30
Rossington	936.86	1093.01	1249.15	1405.30	1717.59	2029.88	2342.16	2810.60
Sprotbrough and Cusworth	931.35	1086.58	1241.80	1397.03	1707.48	2017.94	2328.38	2794.06
Stainforth	988.82	1153.63	1318.43	1483.24	1812.85	2142.46	2472.06	2966.48
Stainton	917.27	1070.15	1223.03	1375.91	1681.67	1987.43	2293.18	2751.82
Sykehouse	926.72	1081.18	1235.63	1390.09	1699.00	2007.91	2316.81	2780.18
Thorne - Moorends	976.52	1139.28	1302.03	1464.79	1790.30	2115.81	2441.31	2929.58
Thorpe in Balne	909.41	1060.98	1212.55	1364.12	1667.26	1970.40	2273.53	2728.24
Tickhill	922.62	1076.40	1230.17	1383.94	1691.48	1999.03	2306.56	2767.88
Wadworth	933.51	1089.10	1244.68	1400.27	1711.44	2022.62	2333.78	2800.54
Warmsworth	929.74	1084.69	1239.65	1394.61	1704.53	2014.44	2324.35	2789.22

being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5 (1) of the (Local Government Finance Act 1992), is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. that it be noted for the year 2019/20 the South Yorkshire Police and Crime Commissioner and the South Yorkshire Fire and Civil Defence Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<b><u>Precepting Authority</u></b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>South Yorkshire Police and Crime Commissioner</b>	<b>129.44</b>	<b>151.01</b>	<b>172.59</b>	<b>194.16</b>	<b>237.31</b>	<b>280.45</b>	<b>323.60</b>	<b>388.32</b>
<b>South Yorkshire Fire &amp; Civil Defence Authority</b>	<b>48.75</b>	<b>56.88</b>	<b>65.00</b>	<b>73.13</b>	<b>89.38</b>	<b>105.63</b>	<b>121.88</b>	<b>146.26</b>

5. that, having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:-

	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
<u>Part of the Council's Area</u>	£	£	£	£	£	£	£	£
<b>DONCASTER</b>	<b>1079.14</b>	<b>1259.00</b>	<b>1438.86</b>	<b>1618.72</b>	<b>1978.44</b>	<b>2338.15</b>	<b>2697.86</b>	<b>3237.44</b>
(except where specified below)								
Adwick on Dearne	1104.43	1288.51	1472.58	1656.66	2024.81	2392.95	2761.09	3313.32
Armthorpe	1117.81	1304.11	1490.42	1676.72	2049.33	2421.93	2794.53	3353.44
Askern	1125.11	1312.64	1500.16	1687.68	2062.72	2437.76	2812.79	3375.36
Auckley	1095.59	1278.19	1460.79	1643.39	2008.59	2373.78	2738.98	3286.78
Austerfield	1105.71	1290.00	1474.29	1658.58	2027.16	2395.73	2764.29	3317.16
Barnburgh and Harlington	1108.74	1293.53	1478.33	1663.12	2032.71	2402.28	2771.86	3326.24
Barnby Dun with Kirk Sandall	1101.43	1285.00	1468.58	1652.15	2019.30	2386.44	2753.58	3304.30
Bawtry	1103.40	1287.30	1471.21	1655.11	2022.92	2390.71	2758.51	3310.22
Blaxton	1114.50	1300.25	1486.01	1671.76	2043.27	2414.76	2786.26	3343.52
Braithwell with Micklebring	1087.01	1268.18	1449.35	1630.52	1992.86	2355.19	2717.53	3261.04
Brodsworth	1115.61	1301.55	1487.49	1673.43	2045.31	2417.18	2789.04	3346.86
Burghwallis	1106.36	1290.76	1475.15	1659.55	2028.34	2397.13	2765.91	3319.10
Cantley with Branton	1097.85	1280.82	1463.80	1646.78	2012.74	2378.68	2744.63	3293.56
Clayton with Frickley	1113.07	1298.58	1484.10	1669.61	2040.64	2411.66	2782.68	3339.22
Conisbrough Parks	1102.81	1286.62	1470.42	1654.23	2021.84	2389.44	2757.04	3308.46
Denaby	1089.28	1270.83	1452.38	1633.93	1997.03	2360.12	2723.21	3267.86
Edenthorpe	1098.10	1281.12	1464.14	1647.16	2013.20	2379.23	2745.26	3294.32
Edlington	1124.90	1312.39	1499.87	1687.36	2062.33	2437.30	2812.26	3374.72
Finningley	1103.66	1287.61	1471.55	1655.50	2023.39	2391.28	2759.16	3311.00
Fishlake	1172.24	1367.62	1562.99	1758.37	2149.12	2539.87	2930.61	3516.74
Hampole and Skelbrooke	1085.06	1265.91	1446.75	1627.60	1989.29	2350.98	2712.66	3255.20
Hatfield	1111.08	1296.26	1481.45	1666.63	2037.00	2407.35	2777.71	3333.26
Hickleton	1115.68	1301.63	1487.58	1673.53	2045.43	2417.32	2789.21	3347.06
High Melton	1099.63	1282.91	1466.18	1649.46	2016.01	2382.55	2749.09	3298.92
Hooton Pagnell	1109.77	1294.73	1479.70	1664.66	2034.59	2404.51	2774.43	3329.32
Loversall	1094.38	1276.78	1459.18	1641.58	2006.38	2371.17	2735.96	3283.16
Moss and District	1091.88	1273.86	1455.85	1637.83	2001.80	2365.75	2729.71	3275.66
Norton	1105.97	1290.30	1474.63	1658.96	2027.62	2396.27	2764.93	3317.92
Owston	1093.95	1276.28	1458.61	1640.94	2005.60	2370.25	2734.89	3281.88
Rossington	1115.05	1300.90	1486.74	1672.59	2044.28	2415.96	2787.64	3345.18
Sprotbrough and Cusworth	1109.54	1294.47	1479.39	1664.32	2034.17	2404.02	2773.86	3328.64
Stainforth	1167.01	1361.52	1556.02	1750.53	2139.54	2528.54	2917.54	3501.06
Stainton	1095.46	1278.04	1460.62	1643.20	2008.36	2373.51	2738.66	3286.40
Sykehouse	1104.91	1289.07	1473.22	1657.38	2025.69	2393.99	2762.29	3314.76
Thorne - Moorends	1154.71	1347.17	1539.62	1732.08	2116.99	2501.89	2886.79	3464.16
Thorpe in Balne	1087.60	1268.87	1450.14	1631.41	1993.95	2356.48	2719.01	3262.82
Tickhill	1100.81	1284.29	1467.76	1651.23	2018.17	2385.11	2752.04	3302.46
Wadworth	1111.70	1296.99	1482.27	1667.56	2038.13	2408.70	2779.26	3335.12
Warmsworth	1107.93	1292.58	1477.24	1661.90	2031.22	2400.52	2769.83	3323.80

6. The Council has determined that its relevant basic amount of Council Tax for 2019/2020 is not excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992 as amended by Section 41 of the Local Audit and Accountability Act 2014. For 2019/20 Government has determined that the relevant basic amount of Council Tax for an authority with Adult Social Care functions is only excessive if the authority's relevant basic amount of Council Tax for 2019/20 is 5% (comprising 2% for expenditure on Adult Social Care and 3% for other expenditure) or more than 5%, greater than its relevant basic amount of Council Tax for 2018/19. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2019/2020 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

## Parish Council Taxes

Parish	2019/2020			2018/2019			% Band D Increase
	Tax base	Precept £	Band D Precept £	Tax base	Precept £	Band D Precept £	
Adwick on Dearne	115	4,363.00	37.94	112	4,195.00	37.46	1.28
Armthorpe	3,840	222,720.00	58.00	3,807	213,192.00	56.00	3.57
Askern	1,351	93,167.00	68.96	1,291	81,015.00	62.75	9.90
Auckley	1,556	38,380.00	24.67	1,491	36,760.00	24.65	0.08
Austerfield	217	8,650.00	39.86	216	8,650.00	40.05	-0.47
Barnburgh and Harlington	646	28,681.00	44.40	638	28,119.00	44.07	0.75
Barnby Dun with Kirk Sandall	2,704	90,395.00	33.43	2,668	89,191.00	33.43	0.00
Bawtry	1,374	50,000.00	36.39	1,354	36,000.00	26.59	36.86
Blaxton	448	23,762.00	53.04	440	23,351.00	53.07	-0.06
Braithwell with Micklebring	444	5,240.00	11.80	441	5,131.00	11.63	1.46
Brodsworth	769	42,071.00	54.71	752	30,256.00	40.23	35.99
Burghwallis	134	5,471.00	40.83	135	5,443.00	40.32	1.26
Cantley with Branton	1,411	33,592.00	28.06	1,165	32,184.00	27.63	1.56
Clayton with Frickley	94	4,784.00	50.89	93	4,579.00	49.24	3.35
Conisbrough Parks	120	4,261.00	35.51	118	4,021.00	34.08	4.20
Denaby	131	1,992.00	15.21	126	1,654.00	13.13	15.84
Edenthorpe	1,470	41,814.00	28.44	1,460	40,128.00	27.48	3.49
Edlington	1,859	127,601.00	68.64	1,772	118,125.00	66.66	2.97
Finningley	709	26,080.00	36.78	708	26,059.00	36.81	-0.08
Fishlake	251	35,052.00	139.65	252	34,365.00	136.37	2.41
Hampole and Skelbrooke	86	764.00	8.88	82	728.00	8.88	0.00
Hatfield	4,136	198,142.00	47.91	4,075	192,371.00	47.21	1.48
Hickleton	110	6,029.00	54.81	107	5,966.00	55.76	-1.70
High Melton	105	3,228.00	30.74	107	2,891.00	27.02	13.77
Hooton Pagnell	96	4,410.00	45.94	96	4,023.00	41.91	9.62
Loversall	58	1,326.00	22.86	57	1,204.00	21.12	8.24
Moss and District	308	5,885.00	19.11	304	5,964.00	19.62	-2.60
Norton	1,372	55,212.00	40.24	1,367	53,474.00	39.12	2.86
Owston	63	1,400.00	22.22	64	1,000.00	15.63	42.16
Rossington	3,473	187,074.00	53.87	3,371	178,148.00	52.85	1.93
Sprotbrough and Cusworth	3,895	177,626.00	45.60	3,850	174,143.00	45.23	0.82
Stainforth	1,306	172,141.00	131.81	1,313	149,688.00	114.00	15.62
Stainton	116	2,840.00	24.48	118	2,675.00	22.67	7.98
Sykehouse	193	7,462.00	38.66	190	7,425.00	39.08	-1.07
Thorne - Moorends	4,315	489,149.00	113.36	4,190	474,997.00	113.36	0.00
Thorpe In Balne	77	977.00	12.69	74	1,474.00	19.92	-36.30
Tickhill	2,093	68,038.00	32.51	2,076	58,844.00	28.34	14.71
Wadworth	389	19,000.00	48.84	383	17,000.00	44.39	10.02
Warmsworth	1,137	49,094.00	43.18	1,121	47,958.00	42.78	0.94
<b>Total</b>		<b>2,343,873.00</b>			<b>2,202,391.00</b>		

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## Doncaster Council

### Report

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**Date: 4 March 2019**

#### **To the Chair and members of Council**

#### **CORPORATE PLAN 2019-20**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

#### **EXECUTIVE SUMMARY**

1. The current Corporate Plan runs out at the end of 2018/19. An updated 2019/20 Corporate Plan is presented at **Annex 1** to provide clear direction for the work of the council for the next year. The new Corporate Plan summarises:
  - The council’s contribution over the next year to the Doncaster Growing Together Plan (DGT).
  - How the council will ensure it has the capacity to deliver DGT transformational priorities and quality services day in, day out.
  
2. The overall structure and format of the Corporate Plan has been retained from 2018-19. The Corporate Plan is framed around the 4 DGT priority themes and the cross-cutting ‘Connected Council’ theme. The following changes have been made to reflect the latest priorities and significant budgetary challenges:
  - The overall tone of the document is more direct and focused on the “must dos”.
  - The Foreword and Overview provide a clearer focus on the imperatives that must guide our transformation work (e.g. early intervention and prevention).
  - The ‘Areas for Action’ under the DGT Working Theme have been updated to reflect the drivers for inclusive growth in the new Inclusive Growth Strategy.
  - The ‘Areas for Action’ under the Connected Council theme have been refreshed to capture updated priorities for improvement.
  - The ‘Key things we will deliver’ sections under each DGT Theme have been updated to capture the priorities identified as part of 2019/20 service planning.
  
3. The Council has already made significant progress in modernising and integrating services whilst delivering significant budget savings. We have a clear plan to manage our resources in 2019/20, despite reducing funding, rising demand for services and increasing costs. The council faces an estimated budget gap of £13m in 2020/21.

## EXEMPT REPORT

4. This report is not exempt.

## RECOMMENDATIONS

5. That the Chair and Members of Council:
  - a. Considers the updated Corporate Plan.
  - b. Agrees the updated 2019/20.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. The Corporate Plan is the Council's key strategic document for directing its work towards achieving its purpose which is 'to ensure Doncaster and its people thrive - ensuring value for money is at the heart of everything we do'.

## BACKGROUND

7. The Corporate Plan forms the 'Plan' phase of Council's annual 'Define and Deliver' improvement cycle:

PROCESS	STAGE	IMPROVEMENT CYCLE
State of the Borough Assessment	ANALYSE	
Updating and resourcing the Corporate Plan	PLAN	
Updating Delivery Programmes, Service Plans and staff Performance & Development Reviews	DO	
Performance monitoring and reporting	REVIEW	

8. Cabinet agreed a new Inclusive Growth Strategy on the 6 November 2018. Delivery of the Strategy is focused on 6 drivers for inclusive growth:
  - Quality of Place
  - Industry Specialisms
  - Education & Skills
  - Better Work & Jobs
  - Social Value & Community Wealth Building
  - Reaching Vulnerable People & Places

## UPDATED CORPORATE PLAN 2019-20

9. The Corporate Plan sets out the Council's contribution to the DGT Plan with a focus on the key deliverables for 2019/20. The overall tone of the 2019/20 Corporate Plan is more direct and focused on the "must dos". We have a clear plan to manage our resources in 2019/20, despite reducing funding, rising demand for services and increasing costs. The council faces an estimated budget gap of £13m in 2020/21 (including the impact of using £3m one-off funding in 2019/20), taking the total gap we've had to bridge since 2010/11 to £272m. Over this time, Government funding will have more than halved.
10. The Foreword and Overview provide a clearer focus on the imperatives that must guide our transformation work (e.g. early intervention and prevention).



11. Each of the four DGT Themes and the Connected Council Theme has a specific page in the Corporate Plan which sets out the vision, areas for action, service standards, outcomes and key deliverables. The vision for each Theme has been retained from the 2018/19 Plan, however the additional paragraph under them has been removed to provide a sharper focus on the key deliverables for 2019/20. The 'key strategies and plans that will support this theme' under each DGT Theme have been removed and replaced by a signpost to the new Policy Register pages on the council website.
12. The 'Areas for Action' for the Working theme have been updated to reflect the priorities in the Inclusive Growth Strategy. The wording of second Area for Action in the Caring Theme has been revised. The Areas for Action for the Connected Council theme have also been refreshed to capture updated priorities for improvement. These changes are set out below:

<b>Themes</b>	<b>2018/19 'Areas of Action'</b>	<b>2019/20 'Areas of Action'</b>
<b>Working</b>	<ol style="list-style-type: none"> <li>1. Support for Doncaster businesses to flourish</li> <li>2. Better access to fulfilling work</li> <li>3. Target the Inward Investment we need</li> </ol>	<ol style="list-style-type: none"> <li>1. Shape the quality of place by enhancing, connecting and promoting our key assets and strengths.</li> <li>2. Grow our industry specialisms and supporting services.</li> <li>3. Increase the availability and accessibility of good work and jobs.</li> </ol>
<b>Caring</b>	<ol style="list-style-type: none"> <li>1. Children have the best start in life.</li> <li>2. Vulnerable families and individuals have support from someone they trust.</li> <li>3. Older people can live well and independently in their own homes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Children have the best start in life.</li> <li>2. Vulnerable families and individuals have the appropriate support that meets their needs.</li> <li>3. Older people can live well and independently in their own homes.</li> </ol>
<b>Connected Council</b>	<ol style="list-style-type: none"> <li>1. A modern, efficient and flexible workforce.</li> <li>2. Modern, accessible customer interactions.</li> <li>3. Operating within our resources and delivering value for money.</li> <li>4. A co-ordinated, whole person, whole life focus on the needs and aspirations of residents.</li> <li>5. Building community resilience and self-reliance by connecting community assets and strengths.</li> <li>6. Working with our partners and residents to provide effective leadership and governance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop a modern, efficient and flexible workforce with the right behaviours and skills.</li> <li>2. Use technology to support modern, accessible customer interactions and as a catalyst for cross council service improvement.</li> <li>3. Operate within our resources and deliver value for money.</li> <li>4. Build community resilience and self-reliance by connecting, community assets and strengths.</li> <li>5. Work with our partners and residents to deliver our joint priorities through effective leadership, governance and democratic processes.</li> </ol>

13. The 'Key priorities that our resources will support' sections under each DGT Theme have been updated to capture the priorities identified as part of the 2019/20 service planning process.

14. Overview and Scrutiny Management Committee considered the draft Corporate Plan on the 7th February 2019. In a letter to the Mayor, attached as Annex 2, the Committee express their support for the Plan, whilst also highlighting the key points discussed at the meeting. The Mayor will provide a written response to the Committee's letter in advance of the Full Council meeting.

## OPTIONS CONSIDERED

15. Three main options were considered for the updated Corporate Plan:
- A Plan which focuses on the internal 'Connected Council' components – service standards and capacity to deliver DGT.
  - A detailed Plan which reflects the breadth and depth of the council PMF/Quarterly Monitoring report.
  - A high level Plan which reflects the breadth of the Council PMF, picking out key milestones/achievements for the 2019-20 - but which signposts to further detail.

## REASONS FOR RECOMMENDED OPTION

16. Option 'c' is the recommended option as this provides a Corporate Plan that:
- Dovetails with DGT and sets out the council's contribution to it over the next year, without duplicating the detail of what is already happening across the DGT Programmes.
  - Sets out how the council will ensure it has the capacity to deliver its DGT transformational priorities and quality services day in, day out.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

17.

Outcomes	Implications
<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>Better access to good fulfilling work</li> <li>Doncaster businesses are supported to flourish</li> <li>Inward Investment</li> </ul>	<p>The Corporate Plan is the key document for focusing the council's attention on these priorities and ensuring it has the capacity to deliver its contribution towards them.</p>
<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>The town centres are the beating heart of Doncaster</li> <li>More people can live in a good quality, affordable home</li> <li>Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>Everyone takes responsibility for keeping Doncaster Clean</li> <li>Building on our cultural, artistic and sporting heritage</li> </ul>	<p>The Corporate Plan is the key document for focusing the council's attention on these priorities and ensuring it has the capacity to deliver its contribution towards them.</p>
<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and</p>	<p>The Corporate Plan is the key document for focusing the</p>

<p>adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	<p>council's attention on these priorities and ensuring it has the capacity to deliver its contribution towards them.</p>
<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	<p>The Corporate Plan is the key document for focusing the Council's attention on these priorities and ensuring it has the capacity to deliver its contribution towards them.</p>
<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>The Corporate Plan is the key document for focusing the Council's attention on these priorities.</p>

## RISKS AND ASSUMPTIONS

18. There is a risk that the priorities in the Corporate Plan do not drive the council's activity and resource allocation. This is mitigated by:
- DGT Governance arrangements, including partnership boards and sub-boards with clear accountabilities, and also quality assurance arrangements.
  - An improved Council PMF, including quarterly corporate reporting which combines progress in delivering the DGT and Connected Council priorities in the Corporate Plan and the latest council financial position.
19. As the Corporate Plan does not detail all the legal duties and objectives of the Council, there is a risk that the performance management process will not highlight all areas of underperformance. To reduce the likelihood of this happening, Service Plans will capture Directorate objectives which may be escalated to the quarterly corporate reporting level if appropriate.

## LEGAL IMPLICATIONS [SRF 17/12/18]

20. Whilst there are no specific legal implications arising out of the report, the programmes of activity which will deliver the Corporate Plan and the related Doncaster Growing Together programmes will require specific and detailed legal advice as they develop further and move towards delivery. The Corporate Plan forms part of the budgetary and policy framework and must also be approved by Full Council.

## FINANCIAL IMPLICATIONS [AT 20/12/18]

21. The financial implications of the priorities and actions in the Corporate Plan are contained within the Revenue, Capital and Housing Revenue Account 2019/20 budget reports that will be considered by Council in March 2019. As specific actions and programmes of activity are developed further, more specific financial implications will be provided in relevant reports

## HUMAN RESOURCES IMPLICATIONS [KG 17/12/2018]

22. There are no specific HR implications arising from this report however there may be HR implications within specific projects arising from the corporate plan objectives; these will be included in the appropriate individual reports.

## TECHNOLOGY IMPLICATIONS [ET 31/12/2018]

23. Technology is as ever an evolving key essential enabler to support the delivery of all services together with the outcomes and objectives outlined in the updated Corporate Plan; robust and effective ICT governance arrangements will continue to be needed to ensure the delivery of the key priorities. Any new technology requirements to support the delivery of the key priorities will need to be considered by the Council's Technology Governance Board (TGB) for inclusion in the Technology Forward Plan, to ensure the resources, expertise and capacity within services is available. This will be monitored and continuously reviewed via TGB.

## HEALTH IMPLICATIONS [SH 8/1/19]

24. Inequalities in the pattern of health are caused by different factors: socio-economic factors e.g. the availability of work, education, income housing and amenities; lifestyle and health-related behaviours e.g. smoking, diet, and physical activity; healthcare factors e.g. access to services, understanding the needs of the population; and personal factors e.g. age, gender, ethnicity, and genetics. All of these factors contribute to the likelihood that an individual will develop ill health. One of the best ways of describing the relative contribution of these factors is the Robert Wood Johnson Foundation work which estimates the contribution of each factor. The figure below outlines these contributions:

Health behaviours 30%	Socioeconomic factors 40%	Clinical care 20%	Built environment 10%
Smoking 10%	Education 10%	Access to care 10%	Environmental 5%
Diet/exercise 10%	Employment 10%	Quality of care 10%	Built environment 5%
Alcohol use 5%	Income 10%		
Poor sexual health 5%	Family/social support 5%		
	Community safety 5%		

Source: Robert Wood Johnson Foundation and University of Wisconsin Population Health Institute. Used in US to rank counties by health status

25. Local authorities can play a significant part in creating health and addressing unequal patterns of illness. The Corporate Plan which sets out the Council's contribution to the Doncaster Growing Together (DGT) plan aims to set the conditions to improve health and reduce inequality. The Corporate Plan and service priorities for 2019/20 are both informed by current health outcomes and use health outcomes to monitor impact. It will be essential that the 'Review' phase of Council's annual 'Define and Deliver' improvement cycle monitors progress in terms of creating health and assures that inequalities in patterns of illness are not increased. On-going vigilance and attention to these issues should be a key component in the successful delivery of the new Corporate Plan. The public health function within the council can provide on-going support and advice in this area.

## **EQUALITY IMPLICATIONS [AW 09.01.19]**

26. In line with the corporate approach to compliance against the Equality Act 2011, due regard must be shown across all activity within the Council. As the Corporate Plan brings together key plans and delivery programmes that are already shaping how we work a due regard statement is not required. However as the individual components and programmes that underpin the Plan become further developed, due regard statements will need to be completed and reported as and when appropriate. The Corporate Plan now includes Equalities, Diversity and Inclusion objectives which form part of the Council's quarterly monitoring process.

## **CONSULTATION**

27. Consultation on the updated Corporate Plan document is summarised below:

- 14.01.19 - Directors
- 29.01.19 - Executive Board
- 07.02.19 - OSMC
- 12.02.19 - Cabinet
- 04.03.19 - Full Council

## **BACKGROUND PAPERS**

28. None.

## **REPORT AUTHOR & CONTRIBUTORS**

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Doncaster  
Council

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# Corporate Plan 2019-20

# Doncaster – growing together

**Foreword by:** Ros Jones, Mayor of Doncaster & Jo Miller, Chief Executive

The priorities for 2019/20 in this Plan demonstrate the Council's unwavering **focus on ensuring Doncaster and its people thrive**, despite continued budget constraints and domestic policy uncertainty. They are the “**must dos**” – our choices on where to take action and invest resources to achieve our ambitions for the borough, balanced with realism.

**Over the past year** we have continued to modernise and integrate services and direct them to the areas of greatest need. We are two years into the four year **Doncaster Growing Together (DGT) Plan** with our Team Doncaster partners and have already achieved some of the agreed transformations.

We have added to the **learning opportunities** in the Borough by securing agreement for a new University Technical College (**UTC**), opening the UK's first big picture learning school and by starting work on our new library and museum. Our four priority areas for Social Mobility are helping children get the **best start in life** and 'Expect Youth' is providing **youth-centred provision** across the borough. More Doncaster 5 year olds are experiencing a good level of development, however child poverty remains relatively high.

In response to increases in the number of homeless people we have created the 'Complex Lives Team', which together with the further integration of Health and Social Care provision shows our determination to be a borough that **cares for its most vulnerable residents and connects them to opportunity**. The increase in residents living independently in their own homes is therefore very positive.

The **employment rate** is at a record high and the completion of phase two of the Great Yorkshire Way, further growth at the airport and iPort, together with record levels of **investment** and **house building** are boosting jobs and quality of life across the borough. However, wage rates remain lower than the national average. With the success of major events like the **Tour de Yorkshire, Delicious Doncaster Food Festival** and **Museum of the Moon** we are creating a vibrant place where people enjoy spending time.

To be a **modern, connected Council** we need to combine effective service delivery and budget management with a broader place shaping and enabling role. Local tax payers rightly expect that over time Doncaster improves as a place to live, work, visit and invest. As a local anchor institution, we have a key role in creating **social value** through our actions, for example through our local commissioning processes.

Looking ahead, the **UTC** provides us with a stronger case to become a **University City**. The proposed **360 Degrees Media** investment at High Melton will be a long-term game-changer alongside '**Culture 2020-22**'. The delivery of the **Town Centre Masterplan** will continue as will our push for a **train station at the airport**. We also have the **Tour de Yorkshire** and **cycling world championships** to look forward to.

We have a clear plan to **manage our resources in 2019/20**, despite reducing funding, rising demand for services and increasing costs. The council faces an estimated budget gap of £13m in 2020/21, taking the total gap we've had to bridge since 2010/11 to £272m. Over this time, Government funding will have more than halved. **Difficult decisions** are required – we may need to stop providing a universal service or accept a reduction in the standard of a service. We will continue to look outwards for the resources, powers and partnerships to deliver our ambitions including pursuing a Yorkshire-wide **Devolution Deal**.

A stronger focus on early **intervention and prevention is now required** for example by continuing to increase residents' physical activity rates. This must be accompanied by more **community level work** which harnesses local strengths and collaboration to tackle inequalities and enable more improvements in well-being to be delivered by communities. Strong, vibrant communities and strong vibrant economies go hand in hand, as reflected in Team Doncaster's new **Inclusive Growth Strategy**. This is accompanied by a new Community Engagement Strategy to improve community participation in shaping Doncaster's future.

Throughout all the uncertainty surrounding Brexit and funding, one constant remains – **people and places** – holding on to our sense of purpose, delivering quality services and supporting and inspiring others to make a daily difference. That's why we are **continuing to crack on** with our ambitions for Doncaster.



# Overview

This Corporate Plan summarises:

- The council's contribution over the next year to the Doncaster Growing Together (DGT) plan – the Borough Strategy for Team Doncaster.
- The overall quality of life improvements the council will contribute to, including those relating to Equality, Diversity and Inclusion.
- How the council will ensure it delivers quality services - as measured by service standards.

## Priority Themes

This Corporate Plan is framed around the same 4 themes as the DGT Plan, with the addition of a fifth 'Connected Council' theme:

THEME	VISION
Doncaster Learning	Learning that prepares all young people and adults for a life that is fulfilling
Doncaster Working	More people are able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future
Doncaster Living	Doncaster's people live in a borough that is vibrant and full of opportunity, where people enjoy spending time
Doncaster Caring	A borough that cares together for its most vulnerable residents
Connected Council	A Connected Council, ready for the future

## Resources

The council continues to face the **significant challenge of setting a balanced budget** with reducing funding, rising demand for services and increasing costs (e.g. inflation), whilst continuing to invest in the borough and protect the most vulnerable in our communities. The overall funding gap is £21m for 2019/20 and following the use of £3m one-off reserves, the gap for 2020/21 is £13m. This will take the total budget gap the council has had to bridge since 2010/11 to £272m. Over this time period, **Government funding will have more than halved.**

Despite continued budget constraints, we have a clear plan to manage our resources in 2019/20 and a robust and balanced **gross revenue budget of £495.2m** is expected to be in place for 2019/20.

As well as funding high quality services for residents, the council will **continue to invest in the future of the borough** with £134.5m of capital spending estimated for 2019/20. This is part of an overall package of £322.7m of investment to 2022/23 to stimulate growth and prosperity. Residents across Doncaster will benefit from investment in projects to further improve education, housing, infrastructure, retail, leisure and culture, as well as attracting investors and visitors to the borough. Wherever possible, we will spend our money locally to support local businesses and organisations.

The council's services are delivered through people, directly and indirectly, and by far the largest element of investment is connected with the cost of employing and developing staff. The satisfaction of our customers, our efficiency and overall performance depend on **our workforce's skills, abilities, behaviour** and motivation in modernising services and changing the way it works to meet customer needs.

## **Approach**

**Five imperatives** must now guide our transformation work more than ever before:

1. Harnessing **community strengths, collaboration and assets**, particularly to enable more improvements in well-being to be delivered by communities.
2. A stronger focus on **early intervention and prevention**.
3. Demand management, including ensuring we **deliver services right first time for residents**.
4. Ensuring **services are targeted** and make a difference to those people who need them most.
5. **Growing our economy** and improving people's ability to access opportunities.

To drive the delivery of the **DGT Plan** Team Doncaster has:

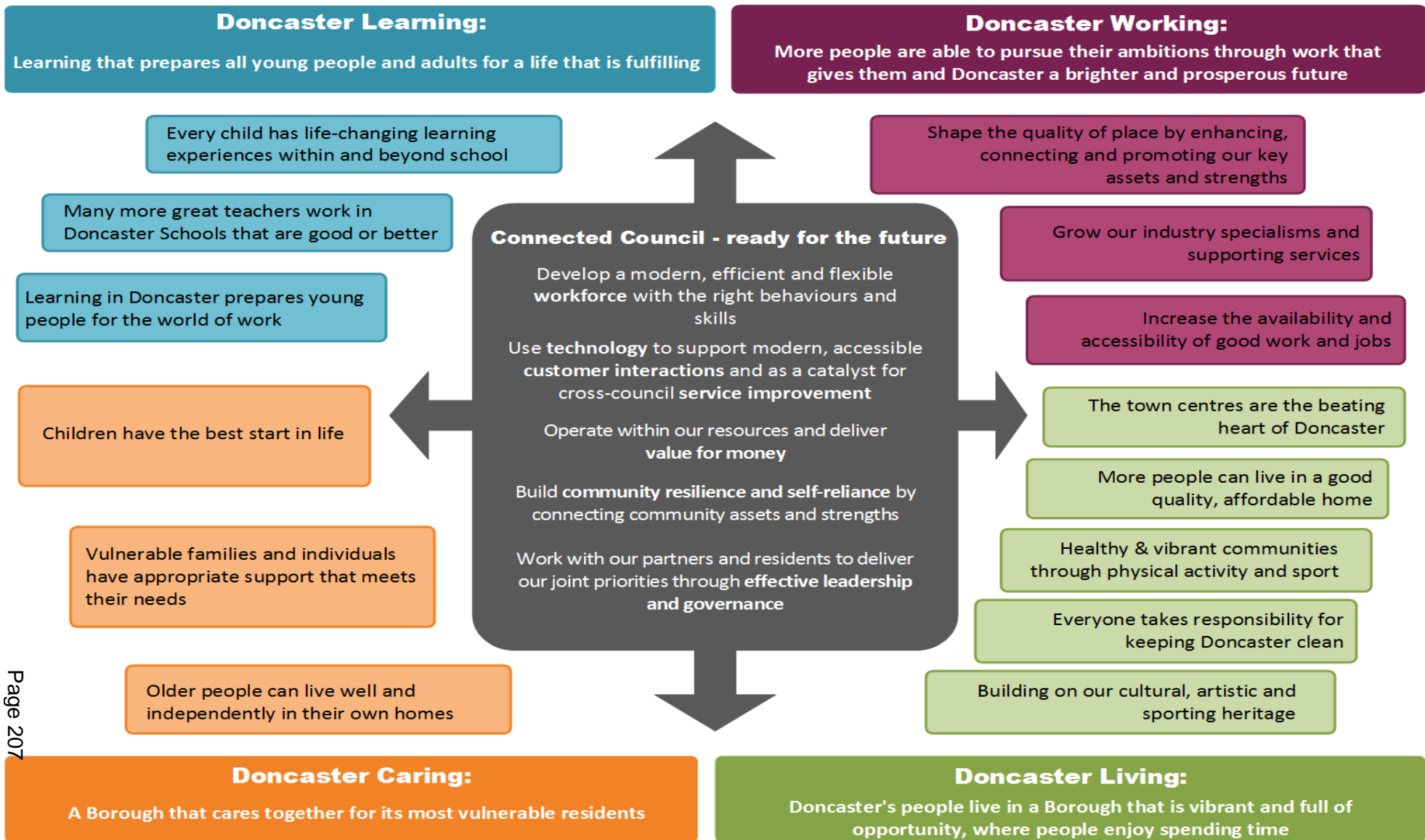
- Governance arrangements that include partnership boards and sub-boards with clear accountabilities.
- A Programme Management approach to the day-to-day delivery of priorities.
- Quality of life indicators to measure overall success.

The **Council's performance management framework** captures:

- The Council's progress in delivering the DGT Programmes (or parts of) it is responsible for.
- The latest data for the DGT quality of life indicators.
- Service Standards - reflecting what the council needs to do well, day in, day out.
- An effective performance and development scheme linked to a corporate skills framework.
- Equalities, Diversity and Inclusion objectives.
- Progress in quarterly monitoring reports to the council's Leadership.

A new **council policy register** provides a single place to access the key plans and strategies that underpin all our work.

# Corporate Plan 2019/20 – Impact & Areas for Action



# Learning

*Learning that prepares all young people and adults for a life that is fulfilling.*

## Areas for action

1. Every child has life-changing learning experiences within and beyond school.
2. Many more great teachers work in Doncaster schools that are good or better.
3. Learning in Doncaster prepares young people for the world of work.

## How we want to make life better for residents

- More young people are equipped to access employment, training and higher education.
- More young people are ready for school.
- More people are learning throughout their lives and have the skills to access work.
- More young people do well in school.
- Pupil attendance and behaviour of disadvantaged young people is improved.
- Greater work readiness of all children and young people particularly for disadvantaged young people.
- More young people from BME backgrounds as well as people with a disability do well at school.

## What the Council needs to do well

- Support schools and early year's settings to provide good or excellent provision.
- Ensure Education, Health and Care plans are issued quickly and effectively.
- Ensure as many children as possible gain entrance to their first choice school placement.

## Key priorities that our resources will support in 19-20

We will:

- Deliver the priorities in the Children and Young People's plan in partnership with children, young people and families to make Doncaster the most child friendly borough in the country
- Drive forward our four priority areas for Social Mobility:
  - Building solid foundations for all children
  - Develop brilliant teaching and leadership for all secondary pupils
  - Making sure that no career out of bounds
  - Giving opportunities and experiences to develop life skills.
- Provide leadership across the local education to ensure all young people learn and achieve together, including;
  - Making sure there is high quality provision to meet need
  - Providing strong leadership to ensure inclusive practice in all educational settings
  - Children with SEND have their needs met
- Develop our proposals around:
  - An integrated commissioning model building on the joint agreement between our health partners and the council
  - Opportunities to ensure all internal services are ready to respond to new service demands and deliver value for money services
  - A joint commissioning strategy and underpinning work plan
- Work in partnership to ensure families have easy access to high quality information and advice by providing good quality information through the Family Information Service, readily available online and in communities.
- Work in partnership to strengthen early help and prevention activity to support child and family development to encourage self-care and build resilience through whole family working
- Explore and develop a pathway for Doncaster to become a University City including, progressing the new University Technical College opening in 2020.

# Working

***More people are able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future.***

## Areas for action

1. Shape the quality of place by enhancing, connecting and promoting our key assets and strengths.
2. Grow our industry specialisms and supporting services.
3. Increase the availability and accessibility of good work and jobs.

## How we want to make life better for residents

- Doncaster's economy is more productive.
- More people are employed in good quality jobs.
- Wages increase for Doncaster residents.
- The number of businesses in Doncaster increases and more of them export.
- More people are in sustained work.
- More quality jobs are created in the local economy.
- More people in Doncaster are completing good quality apprenticeships.
- Fewer people claim out of work benefits, including Universal Credit.
- More care leavers enter employment, education or training.
- The number of people from BME communities that take up apprenticeship opportunities in Doncaster increases.
- The gap in female employment and the female wage rate reduces within the organisations in Doncaster that we can influence.

## What the Council needs to do well

- Process planning applications quickly and appropriately.
- Market the borough as a good place to live, work and visit.
- Encourage and support inward investment opportunities in the borough, targeting key employment sectors.

## Key priorities that our resources will support in 19-20

We will:

- Deliver on-going development projects and develop the investment pipeline, in particular:
  - Urban Centre Masterplan<sup>1</sup>
  - iPort development (expansion, rail link, new routes)
  - Road network investment
  - Integrated and sustainable transport, active travel and Smart Cities
  - DN7 Unity and the wider northern growth corridor (e.g. A1-A19 link)
  - Improving digital connectivity across the borough
- Market the borough to investors and visitors and take destination management to the next level.
- Lobby government over the preparation for HS2 routes through the borough.
- Continue to lobby for a train station at the airport.
- Develop targeted programmes to grow our existing/potential industry specialisms: Engineering & Technology; Digital & Creative; Future Mobility (via rail, road & air); and Advanced Materials (e.g. for manufacturing).
- Develop targeted programmes to grow our Supporting Services (e.g. finance and professional services).
- Direct business support resources to growth opportunities and challenges, including accessing new export markets and supply chains.
- Provide support for employment, recruitment and in-work progression including those with the poorest health:
  - 'Advance' – a project to support people into work, self-employment and particularly to thrive in their chosen career
  - Early Intervention Employment Support Pilot
  - Working Win - Health-Led Employment Trial
- Respond to the challenges of Brexit and assess the impacts on the borough and its economy.
- Leverage social value from inward investment.

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<sup>1</sup> <http://www.doncaster.gov.uk/services/planning/doncaster-town-centre-masterplan>

# Living

***Doncaster's people live in a borough that is vibrant and full of opportunity, where people enjoy spending time.***

## Areas for action

1. The town centres are the beating heart of Doncaster.
2. More people can live in a good quality, affordable home.
3. Healthy and vibrant communities through physical activity and sport.
4. Everyone takes responsibility for keeping Doncaster clean.
5. Building on our cultural, artistic and sporting heritage.

## How we want to make life better for residents

- More homes are built and fewer people are homeless or in unsuitable accommodation.
- More people are physically active.
- More people feel safe in their community.
- Healthy life expectancy in Doncaster improves.
- The Local Plan<sup>2</sup> is developed to facilitate Doncaster's economic, housing and population growth in a sustainable way.
- Our natural environment is enhanced and protected.
- Fewer children in poverty.
- People take part and enjoy great cultural experiences.
- Care leavers have a good place to live with the support they need.
- The inequalities of health outcomes of BME populations reduce.
- More people are supported to take up opportunities to get involved in community life.

Page 210

## What the Council needs to do well

- Support more people to recycle.
- Encourage and educate people on road safety.
- Regularly clean the streets and roads, removing litter, detritus, fly posting, graffiti and fly tips.
- Make sure we cut grass when we say we will.
- Maintain the roads to appropriate standards across the borough.
- Deal with dangerous/nuisance trees when we know about them.
- Deal with housing hazards, resolving any issues quickly.
- Encourage more people to take up NHS health checks.

## Key priorities that our resources will support in 19-20

We will:

- Support the reduction of crime, reoffending, domestic abuse and anti-social behaviour.
- Develop the borough's arts and culture offer, including development of the new library and museum and raising the profile of quality cultural opportunities and major events, for example the Mayflower 400 celebration.
- Increase social connections through increased physical activity, sport and asset based community development.
- Consider the impacts on health in our key planning, licensing and environmental decisions.
- Create the conditions to sustain housing growth.
- Ensure we are fit to respond to the housing needs of our residents by delivering homes and providing housing related support especially to those who need it most.
- Create vibrant town centre(s) including supporting a bid into the national Future High Streets Fund.
- Developing a longer term vision for the environment across the borough leading on change for a greener borough.
- Explore a single technology solution that will help us report and understand places across the borough better.
- Support the partnership anti-poverty strategy, including updates on Universal Credit.

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<sup>2</sup> <http://www.doncaster.gov.uk/services/planning/local-plan>

# Caring

## *A borough that cares together for its most vulnerable residents*

### Areas for action

1. Children have the best start in life.
2. Vulnerable families and individuals have the appropriate support that meets their needs.
3. Older people can live well and independently in their own homes.

### How we want to make life better for residents

- Fewer children and adults require health and social care services and vulnerable people are safe.
- More people remain healthy and independent for longer with fewer people that are socially isolated.
- The number of preventable deaths reduces.
- Fewer people are delayed from leaving hospital.
- People in end of life care die in a place of their choosing.

### What the Council needs to do well

- Work with communities to improve people's well-being
- Complete assessments quickly and appropriately, responding to need and keeping people safe.
- Increase the number of people who receive a direct payment.
- Support more people with disabilities into work.
- Make information about services easier to access.
- Support people to live well at home for as long as possible.
- Reduce the amount of repeat referrals, specifically for children's care.
- Support families to access free childcare entitlements.
- Support more residential homes to be rated good or better.

## Key priorities that our resources will support in 19-20

We will:

- Improve the information and advice available to promote independence and make communities more resilient.
- Make best use of people's and community strengths
- Develop our services for health and social care with providers and service users to make sure it meets the needs of local people.
- Improve residents' experience of services for health and social care promoting healthy and independent lives and effectively managing the requirement for care and support including carers.
- Protect vulnerable people and support people to keep safe.
- Transform services for people of all ages through the Your Life Doncaster Programme with a focus:
  - Early intervention and prevention / integrated area based working.
  - Multi-agency front door
  - Joint commissioning.
  - Practice development.
- Improve services through a joined up, evidence based, approach to commissioning services including Public Health, Children's and Adults' services and NHS commissioners
- Deliver the right technology solution to improve how we deliver health and care services all in one system.
- Improve the lives of people of all ages taking a whole family approach, joining up our services, promoting recovery and enabling families to focus on their strengths.
- Develop a range of opportunities for individuals to keep and develop their independence in communities for example through the use of Assistive Technology
- Continue to deliver joined up services for those most at risk of rough sleeping and with complex needs.
- Improve healthy life expectancy through effective public health programmes including smoking, alcohol, obesity and mental health.
- Deliver an improved offer for families in early years (first 1001 days) and for vulnerable adolescents.

# Connected Council

*A connected council – ready for the future.*

## Areas for action

1. Develop a modern, efficient and flexible workforce with the right behaviours and skills.
2. Use technology to support modern, accessible customer interactions and as a catalyst for cross-council service improvement.
3. Operate within our resources and deliver value for money.
4. Build community resilience and self-reliance by connecting community assets and strengths.
5. Work with our partners and residents to deliver our joint priorities through effective leadership, governance and democratic processes.

## What the Council needs to do well

- Respond to our customers quickly, focusing on a quality customer experience.
- Process Housing and Council Tax queries quickly and appropriately.
- Ensure more people can access Council services digitally.
- Collect Council Tax and Business Rates effectively.
- Be an open and inclusive employer that champions diversity
- Wherever possible spend our money locally.
- Support employees to improve performance, engagement and attendance.
- Provide expert advice for all aspects of council business.

Page 212

## Key priorities that our resources will support in 19-20

We will:

- Secure the best possible Devolution Deal for Doncaster.
- Ensure we have a consistent approach to policy development and implementation across the organisation.
- Ensure priority decisions around demand, need and performance are based on a strong evidence base of effective and modern business intelligence and research.
- Prepare organisation for significant legislative changes arising from Brexit.
- Deliver our partnership priorities, particularly the actions in the Inclusive Growth<sup>3</sup> and Community Engagement Strategies<sup>4</sup>
- Develop effective communications with partners to engage more creatively through a revised communications and engagement strategy
- Implement the Workforce Strategy that equips staff with the right skills and behaviours to work in partnership to deliver and commission good quality services.
- Further improve the Council's 'front door' improving the experience of Doncaster residents.
  - Progress a further phase of digital improvement to services, including a further increase of services available on-line for self-service 24/7.
- Deliver the council's key technology projects.
- Continue with disciplined financial monitoring, working towards a smaller base budget in 20/21 onwards.
- Refresh of our Medium Term Financial Strategy, budget planning and additional savings for 20/21.
- Promote and deliver Social Value through effective procurement and contract management practices.
- Manage our corporate assets effectively to support service delivery.
- Try different ways to test approaches to community working taking the bits that work best forward to our approach in the future.

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<sup>3</sup> <http://www.doncaster.gov.uk/services/business-investment/doncaster-inclusive-growth-strategy>

<sup>4</sup> <http://www.doncaster.gov.uk/services/the-council-democracy/community-engagement-framework>



# Glossary of Terms

## **BME**

Black and Minority Ethnic

## **Social Mobility**

Movement of individuals, families, households, or other categories of people within or between social classes in a society.

## **SEND**

Special educational needs and disability.

## **Social Value**

Term that describes how public bodies should consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

## **Smart Cities**

A Smart City uses information and communication technologies and other means to improve quality of life, for example relating to public safety to health and transportation.

## **HS2**

High Speed Rail Two (proposed route through Doncaster).

## **DN7 Unity**

642ha regeneration and housing site adjacent to J5 of M18.

## **Supply chains**

Networks of individuals, organisations, resources, activities and technology involved in the creation and sale of a product or service.

## **Devolution Deal**

A deal between the Government and a region to transfer powers and funding to improve local quality of life.

## **Complex Lives**

Integrated partnership team that works to support a cohort of people who have complex needs including addiction, mental health, domestic abuse and rough sleeping.

## **Mayflower 400**

2020 marks the 400th anniversary of the Mayflower's voyage from Plymouth UK to Plymouth Massachusetts. The 'Pilgrim Fathers' story has its origins within the wider Doncaster area.

## **Assistive Technology**

Aids that help people stay independent or manage their health. It includes things like walking frames, voice recognition programs and motion sensors.

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Doncaster  
Council

Councillor Kevin Rodgers  
Roman Ridge Ward

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Date: 18<sup>th</sup> February 2019

Mayor Ros Jones  
Floor 4  
Civic Office  
Waterdale  
Doncaster  
DN1 3BU

Dear Ros

### **CORPORATE PLAN 19-20 UPDATE**

The Overview and Scrutiny Management Committee held a meeting on the 7<sup>th</sup> February 2019 to consider the updated 2019/20 Corporate Plan. Members supported the plan and provided a number of comments that are detailed below. I would be grateful if you could take account of these additional comments and suggestions when presenting the plan to Full Council on the 5<sup>th</sup> March 2019.

1. The Committee stressed the importance of highlighting and promoting the notable successes in the document, achieved from pathways created as a result of the Corporate Plan. Members were reminded about the purpose of the Annual Report and the efforts being made to communicate those achievements.
2. The following was raised around the **Doncaster Learning** theme - **How we want to make life better for residents - Pupil attendance and behaviour of disadvantaged young people is improved.**

Concern was raised around the progress being made within this area and reference to the term 'disadvantaged young people' as part of the above statement. The Committee was informed that the Council undertook a corporate responsibility for the Looked After Children indicator around the attendance of Children in Need (that included all categories of Children in Need).

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Page 2

Members were informed that although performance in this area had improved, Doncaster currently performed less well in comparison to its statistical neighbours. Members were reminded about the positive and targeted work being undertaken to monitor, challenge and address this issue. The Committee acknowledged these positive actions and how those schools were developing and improving as a result.

3. The Committee stressed the importance of reaching the objectives in the Corporate Plan in partnership with the voluntary sector and questioned the support available to enable them to have a voice. Members were informed that this featured within the **Five Imperatives (1. Harnessing community strengths, collaboration and assets, particularly to enable more improvements in well-being to be delivered by communities)** and that it was set out early in the Plan, as it was considered as a key issue that cross-cut across all areas.
4. Reference was made to the Health Implications as outlined in the Corporate Plan covering report and the importance of how interventions and preventative measures allows local authorities to play its part in creating health and addressing unequal patterns of illness.
5. Finally, it was commented that the Glossary was a useful addition to the plan.

I would like to take this opportunity to thank Allan Wiltshire, Head of Policy and Partnerships, for outlining in detail the information contained in the Corporate Plan. I would be grateful for a response by no later than the 18th March 2019.

Kind regards,



**Councillor Kevin Rodgers**  
**Chair of the Overview and Scrutiny Management Committee**

cc OSMC Members  
Cabinet Members  
Jo Miller, Directors and BAs.  
Debbie Hogg - Director of Corporate Resources  
Scott Fawcus - Assistant Director - Legal & Democratic Services



## Doncaster Council

### Report

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4th March, 2019

**To the Chair and Members of the COUNCIL**

#### **ANNUAL REPORT ON EXECUTIVE DECISIONS TAKEN UNDER SPECIAL URGENCY PROVISIONS**

#### **EXECUTIVE SUMMARY**

1. The Council's Constitution requires those key decisions that can be implemented immediately without a call-in period (usually referred to as "Rule 16 Decisions"), to be reported to Council on an annual basis. This report outlines such decisions taken between the period 5th March, 2018 and 22nd February, 2019.

#### **RECOMMENDATION**

2. Council is asked to note the content of the report.

#### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

3. The Council is committed to maintaining the highest standards of governance and ensuring that the decision making process is open and transparent. By reporting the key decisions taken under 'Special Urgency' provisions over the past year, the Council is ensuring that the public are well informed with regard to the democratic processes undertaken.

#### **BACKGROUND**

4. The Council's Constitution requires that decisions taken using Special Urgency provisions are reported to Council on an annual basis. The ability to take decisions under Special Urgency are provided for in legislation and reflected in the Access to Information Procedure Rules set out in the Council's Constitution.
5. This report reflects decisions taken from 5th March, 2018, to 22nd February, 2019, to coincide with the production of this report. Any decisions taken between this date and the Council meeting will be reported orally at the meeting.
6. Set out below is the decision taken that falls into this category:-

(A) Proposed acquisition of land at Waterfront, Doncaster.

The decision was taken by Councillor Joe Blackham, Cabinet Member for Highways, Street Scene and Trading Services, in consultation with Councillor Paul Wray, Chair of Regeneration and Housing Overview and Scrutiny Panel. A copy of the Decision Record was circulated to all Members of the Council on 6th June, 2018.

**OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION**

7. This report is for noting only and therefore, no options were considered.

**IMPACT ON THE COUNCIL'S KEY OUTCOMES**

8.

<b>Connected Council:</b>  Working with our partners and residents to provide effective leadership and governance.	  By publicly reporting all key decisions taken under special urgency procedures, the Council is ensuring that its governance arrangements are open, transparent and in accordance with statutory requirements.
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**RISKS AND ASSUMPTIONS**

9. There are no identified risks associated with this report.

**LEGAL IMPLICATIONS [Officer Initials NC Date 18/2/19]**

10. The content of this report complies with Rule 16.02 of the Council's Access to Information Procedure Rules, which requires the submission of an annual report to the Full Council at its last ordinary meeting of the municipal year on the executive decisions taken in the preceding twelve months under the special urgency provisions contained in those Rules. The report must include the number of decisions taken and a summary of the matters in respect of which those decisions were taken.

**FINANCIAL IMPLICATIONS [Officer Initials AT Date 18/2/19]**

11. There are no specific financial implications associated with this report.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials RH Date 19/2/19]**

12. There are no human resources implications associated with this report.

### **TECHNOLOGY IMPLICATIONS [Officer Initials ET Date 18/2/19]**

13. There are no specific technology implications in relation to this report.

### **HEALTH IMPLICATIONS [Officer Initials RS Date 18/2/19]**

14. There are no direct health implications from this report. Report authors can seek further advice from the Director of Public Health if required.

### **EQUALITY IMPLICATIONS [Officer Initials DMT Date 18/02/19]**

15. There are no specific equality implications arising from this report.

### **BACKGROUND PAPERS**

Special Urgency Key Decision (Rule 16) Report and Executive Decision Record:-

- Proposed acquisition of land at Waterfront, Doncaster

<https://doncaster.moderngov.co.uk/mgIssueHistoryHome.aspx?Id=9604&Opt=0>

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## **SHEFFIELD CITY REGION COMBINED AUTHORITY**

### **CONFERENCE ROOM 0.25 - NATIONAL COLLEGE FOR HIGH SPEED RAIL**

#### **MINUTES OF THE MEETING HELD ON 28 JANUARY 2019**

##### PRESENT:

Mayor Dan Jarvis MBE, Sheffield City Region (Chair)  
Councillor Chris Read, Rotherham MBC (Vice Chair)

Councillor Julie Dore, Sheffield CC  
Councillor Sir Steve Houghton CBE, Barnsley MBC  
Councillor Glyn Jones, Doncaster MBC  
Councillor Lewis Rose OBE, Derbyshire Dales DC  
James Muir, SCR LEP

Councillor Chris Furness, Peak Park NPA (Observer)

Ruth Adams, SCR Exec Team  
Fiona Boden, SCR Exec Team  
Steve Edwards, SYPTE  
Jeni Harvey, SCR Exec Team  
Justin Homer, BEIS  
Claire James, SCR Executive Team  
Sharon Kemp, Rotherham MBC  
Mark Lynam, SCR Exec Team  
Martin McCarthy, South Yorkshire Joint Authorities  
John Mothersole, Sheffield CC  
Jo Miller, Doncaster MBC  
Keith Noyland, SYPTE  
Mel Dei Rossi, SCR Exec Team  
Dave Smith, SCR Exec Team  
Chloe Shepherd, SCR Exec Team  
Craig Tyler, Joint Authorities Governance Unit

Apologies for absence were received from Councillor G Baxter, Councillor T Gilby, Councillor S Greaves, Mayor R Jones CBE, Councillor A Syrett, H Bowen, A Frosdick, D Swaine, N Taylor, D Terris, E Walker and P Wilson

## Chair's Introduction

The Chair provided members with updates on matters of pertinence to the SCR.

Regarding Brexit, the Chair commented on the current impasse between the Government and Parliament, suggesting this continues to present significant challenges for local businesses. It was suggested the SCR is working hard to provide as much support and assistance to businesses as we can and noted possible mitigation measures for businesses were explored at the last LEP Board meeting.

The Chair suggested that irrespective of the outcome of Brexit, the SCR still faces the fundamental issues of decades of systematic underinvestment in our communities, and therefore there is a need to make sure the region gets its fair share of public investment.

The Chair informed Members he continues to make that point to government and last week, was in the Cabinet Office with Ministers and other Metro Mayors to discuss Brexit and the issue that we are still waiting for the Government to set out its position in respect of the UK Shared Prosperity Fund.

The Chair noted he had also tabled a debate on the future of the UK Shared Prosperity Fund and had met with the to seek his assurance that he will look into the issue of fairer funding for infrastructure projects across the North more generally.

The Chair commented on matters pertaining to the government's LEP review.

The Chair provided Members with an update on the SCR's Transforming Cities Fund bid. It was noted the 'tranche 1' bid (worth £10m and covering six schemes across Barnsley, Doncaster, Rotherham and Sheffield) had been submitted. It was noted that if successful, the funding will play a crucial role developing our transport networks across the region.

It was reported that last week, a milestone for the SCR's "Working Win" initiative was met with more than 2,000 people now taking part. Members were reminded that Working Win is a pioneering health-led research trial that investigates whether a new type of support for people who are struggling with work due to health issues, is better than other services which are already on offer.

### 1 SCRMCA 19/001 APOLOGIES

Members' apologies were noted as above.

### 2 SCRMCA 19/002 ANNOUNCEMENTS

The Chair welcomed the new SCR LEP Board chair to the meeting, James Muir, noting he is an outstanding candidate for the job and brings with him a wealth of experience from the automotive industry.

The Chair noted James lives in Sheffield and has demonstrated a commitment to the local community through his voluntary work.

Members were reminded of intentions to recruit an Active Travel Commissioner to lead on a strategy to promote and support the delivery of active travel projects across the Region.

The Chair informed Members we are currently in the process of forming the Sheffield City Region's Youth Combined Authority and have been working closely with youth groups from across the Region to inform the process of nominating representatives from each area. It was noted the first meeting is scheduled for the middle of February.

3 SCRMCA 19/003 URGENT ITEMS

No items noted.

4 SCRMCA 19/004 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None.

5 SCRMCA 19/005 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

It was agreed that voting rights could not be conferred on the non-Constituent Members for item 13 (SCRMCA 19/013 South Yorkshire Transport Budget) as the matter concerns the Constituent Members only.

It was agreed there were no further items on which voting rights could not be conferred on the non-Constituent Members.

6 SCRMCA 19/006 DECLARATIONS OF INTEREST BY INDIVIDUAL MEMBERS IN RELATION TO ANY ITEM OF BUSINESS ON THE AGENDA

The Chair declared interests in matters to be addressed at item 16 - LGF Programme Approvals in respect of the Glassworks and Digital Media Centre 2 schemes by virtue of being the serving Member of Parliament for the schemes' geography.

Cllr Houghton declared interests in matters to be addressed at item 16 - LGF Programme Approvals in respect of the Glassworks, Digital Media Centre 2 and M1 j36 Economic Growth Corridor Goldthorpe schemes by virtue of being the Leader of the sponsoring Local Authority.

Cllr Dore declared an interest in the matters to be considered item 16 - LGF Programme Approvals in respect of the Parkwood Springs Ski Village scheme by virtue of being the Leader of the sponsoring Authority.

7 SCRMCA 19/007 REPORTS FROM AND QUESTIONS BY MEMBERS

None.

8 SCRMCA 19/008 RECEIPT OF PETITIONS

Cllr Emma Hoddinott (lead petitioner) presented the meeting with a 40+ signature petition opposing changes to services 10/10a removing them from Markfield Drive. Addressing the meeting, Cllr Hoddinott proposed the changes would impact negatively on elderly service users

In response, Cllr Read noted he was disappointed with how the consultation exercise undertaken to inform service changes in Rotherham had been undertaken and that some good recommendations from service users were not heeded. It was further suggested the changes would reduce services to local shops and hospitals and thus reduce the quality of life of service users.

The meeting received a 600+ signature petition on behalf on Mr Barry Kaye (lead petitioner for the Kimberworth Park Community Partnership) opposing the proposed rerouting of services 139 and 140 away from Oxclose Avenue and Kimberworth Park Road.

The meeting received a 200+ signature petition from Mr Paul Hunton (Lead petitioner for the Wentworth Residents Association) opposing the proposed changes to service 227, which will be partially replaced by the new service 136 via Thorpe Hesley, which will not serve Nether Haugh and along Cortworth Lane.

The Chair directed PTE officers to investigate the matters highlighted by the petitions and respond to the petitioners on the Authority's behalf.

The Chair informed the meeting of intentions to undertaken a review of how public transport services operate across the SCR.

9 SCRMCA 19/009 PUBLIC QUESTIONS

None received.

10 SCRMCA 19/010 MINUTES OF THE MEETING HELD ON 17TH DECEMBER 2018

RESOLVED, that the minutes of the meeting of the SCR Mayoral Combined Authority held on 17<sup>th</sup> December are agreed to be an accurate record of the meeting.

11 SCRMCA 19/011 TRANSPORT STRATEGY

A report was received to present Members with the Sheffield City Region Transport Strategy, noting this is associated with the Mayor's Vision for Transport which was adopted by the MCA on the 17<sup>th</sup> December 2018.

The Chair thanked officers for their work in producing the Strategy and noted a formal Strategy launch would be held in the near future.

It was noted the Strategy had been informed by public and stakeholder consultation and drafted to encompass the Mayor's manifesto commitments for transport.

It was confirmed that following comments by Members, the Strategy would be annotated to include a more explicit reference to the SCR' ambition for a parkway station on the main HS2 line.

Cllr Dore sought an assurance the Strategy had been written mindful of interdependencies with Transport for the North (TfN). It was duly confirmed the Strategy was fully accordant with the TfN Strategic Transport Plan (STP).

RESOLVED, that the Members approve the Transport Strategy for publication, subject to the inclusion of the explicit reference to a parkway station on the HS2 main line.

## 12 SCRMCA 19/012 REVENUE AND CAPITAL BUDGET MONITORING

A report was received to provide the Q3 position for the revenue and capital programme of the Sheffield City Region (SCR) Mayoral Combined Authority (MCA) for the financial year 2018/19.

RESOLVED, that the Combined Authority:

1. Notes the forecast underspend of £482k on the MCA/LEP Revenue Budget
2. Notes the forecast slippage of £855k on the MCA/LEP Revenue Programmes budget
3. Notes the forecast underspend of £698k on the South Yorkshire Transport Revenue Budget
4. Notes the forecast slippage of £2.693m on the South Yorkshire Transport Capital Programme in respect of the BDR Pot and likelihood that slippage will arise on Integrated Transport Block and Highways Capital Maintenance
5. Approves the capital budget variation request to re-allocate £600k of Rotherham's existing BDR Pot funding to part-fund the detailed design of the £42m Parkway widening (to Catcliffe) scheme.

## 13 SCRMCA 19/013 SOUTH YORKSHIRE TRANSPORT BUDGET

A report was received to present the final proposals for the South Yorkshire Transport Revenue Budget and Capital Programme for financial year 2019/20.

The revenue budget also presented the proposed resource requirement for the South Yorkshire Passenger Transport Executive to deliver the South Yorkshire Transport Plan, to be resourced through a levy on the South Yorkshire partners.

Members were advised that to meet statutory deadlines, this transport levy must be set at this meeting.

RESOLVED, that the Combined Authority:

1. Approves the 2019/20 Transport Levy at £54.365m, noting that this represents a 2.5% reduction on the financial year 2018/19
2. Approves the 2019/20 South Yorkshire Revenue Budget with net expenditure of £60.440m
3. Approves the 2019/20 South Yorkshire Capital Programme with planned expenditure of £31.776m

14 SCRMCA 19/014 REVISED CONSTITUTION

A report was received to request the approval of the amendments to the Mayoral Combined Authority Constitution, following the approval of the governance changes at the Authority meeting of 17th December 2018.

Members were advised the Constitution had been amended to reflect the proposals agreed at the previous in respect of the 5 thematic Executive Boards.

It was noted a proposed amendment is to give each thematic Executive Board delegated authority to approve tender awards up to £200,000.00 that are related to its area of responsibility, provided the proposed spend is within budget.

It was noted a further amendment would clarify how grants offered to the Authority are approved for acceptance, in that grant offers up to £100,000 can be accepted by the Finance Director (s.73 Officer); grant offers up to £2m can be accepted by the relevant thematic Executive Boards subject to s.73 Officer agreeing the terms and conditions of the grant offer; and grant offers over £2m can only be accepted by the Authority subject to s.73 Officer agreeing the terms and conditions of the grant offer.

The Chair welcomed this new means of working and suggested it presented a number of challenges and opportunities. It was proposed to undertake a review of the new procedures after the first 6 months of operation.

It was confirmed a further amendment would be made to explain the terms 'independent person' and 'appropriate person' in relation to Committee chairing procedures.

RESOLVED, that the Members approve the amendments to the Constitution.

15 SCRMCA 19/015 LGF PROGRAMME MONITORING

A report was received seeking approval to delegate year-end decisions on LGF funding (in the interests of maximising in-year spend). The report also provided an update on the current LGF Capital Programme.

Members considered the significant proportion of the annual programme that is still to be spent in Q4 and were provided with an assurance that 100% spend profiles are still forecast.

Members were assured that any decisions on funding would only be taken within the thresholds of existing scheme approval levels.

RESOLVED, that the Authority:

1. Notes the LGF Programme update.
2. Approves delegated authority to Head of Paid Service and Section 73 Officer to authorise in year spend variations specifically where a project is able to change expenditure from another financial year into the current year and where that project already has full approval and is in contract (noting the MCA will be informed when these delegated approvals take place).
3. Approves delegated authority to Head of Paid Service and Section 73 Officer in conjunction with the Monitoring Officer to maximise the outturn spend position at year end to mitigate against any potential loss of funding (noting the MCA will be informed when these delegated approvals take place).

16 SCRMCA 19/016 LGF PROGRAMME APPROVALS

A report was received requesting approvals for five schemes, and seeking delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

RESOLVED, that the Authority:

1. Approves the progression of Digital Campus – Digital Media Centre 2 to full approval and award of £2.13m grant to BMBC from the Local Growth Fund subject to the conditions set out in the Appraisal Panel Summary Table.
2. Approves the progression of Parkwood Springs – Ski Village National Attraction (Phase 1a and 1b) to full approval and award of £4.8m loan to Sheffield City Council from the Local Growth Fund subject to the conditions set out in the Appraisal Panel Summary Table.
3. Approves the progression of The Glass Works, Barnsley to full approval and award of £7.43m grant to BMBC from the Local Growth Fund subject to the conditions set out in the Appraisal Panel Summary Table.
4. Approves the progression of M1 Junction 36 – Economic Growth Corridor Goldthorpe – Phase 2 to full approval and award of £7.32m grant to BMBC from the Local Growth Fund subject to the conditions set out in the Appraisal Panel Summary Table.
5. Approves the progression of Doncaster Sheffield Airport Passenger Capacity Expansion Car Park to full approval and award of £3.5m loan to Doncaster Sheffield Airport Limited from the Local Growth Fund subject to the conditions set out in the Appraisal Panel Summary Table.

6. Delegates Authority to the Head of Paid of Service, in conjunction with the Section 73 and the Monitoring Officer, to enter into the contractual arrangements required as a result of the above approvals.

17 SCRMCA 19/017 DELEGATED AUTHORITY REPORT

RESOLVED, that the Authority notes the decisions made under delegation in respect of CA approved recommendations that have been acted upon in the last period.

CHAIR



**SHEFFIELD CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD  
NOTES OF MEETING HELD ON 14 JANUARY 2019**

**Board Members:** James Muir (Chair), Councillor Julie Dore, Councillor Tricia Gilby, Councillor Michael Gordon, Alexa Greaves, Councillor Sir Steve Houghton CBE, Professor Sir Chris Husbands, Mayor Dan Jarvis MBE, Mayor Ros Jones, Tanwer Khan, Neil MacDonald, Julia Muir, Ged Shields and Richard Stubbs

**In attendance:** Substitute Members: Councillor Tony Morley

Officers: Ruth Adams, Fiona Boden, Anita Dell, Andrew Gates, James Henderson, Justin Homer, Mark Lynam, Mel Dei Rossi, Diana Terris, Mike Thomas, Dr Sarah Want, Craig Tyler and Paul Wilson

Observer: Cllr Chris Furness

**Apologies:** Board Members: Laura Bennett, Councillor Simon Greaves, Peter Kennan, Owen Michaelson, Lucy Nickson, Councillor Chris Read, Councillor Lewis Rose OBE, Philippa Sanderson, Councillor Ann Syrett, Bill Adams, Alison Kinner and Professor Keon Lamberts.

Officers: Huw Bowen, Sharon Kemp, Jo Miller, John Mothersole, Dave Smith, Daniel Swaine and Neil Taylor,

Item	Subject	Action
1	<p><b>Welcome and Apologies</b></p> <p>Mayor Jarvis opened the meeting and introduced the new SCR LEP Board Chair, James Muir, to the members and officers present.</p> <p>James informed the meeting that he was welcoming the opportunity to take up the role of Chair at such a crucial time for the City Region and would be meeting all public and private sector members individually to talk about issues and challenges in the interests of formulating a meaningful plan of action, capable of turning the region's past incremental growth into transformational growth.</p>	

	<p>James informed the board that the development of the SCR Strategic Economic Plan and Industrial Strategy would be crucial to this ambition. He set a deadline for the plan to be drafted for discussion by the middle of this year.</p>	
<b>2</b>	<p><b>Declarations of Interest</b></p> <p>Mayor Jarvis and Cllr Houghton declared interests in matters to be addressed at item 8 (LGF Programme Update and Acceptance of New Schemes to the LGF Programme) (Barnsley Glassworks and Digital Campus - Digital Media Centre 2) by virtue of being respectively the Member of Parliament and the Leader of the Council for the scheme's sponsoring Authority.</p> <p>Cllr Dore declared an interest in the matters to be considered at item 8 (Parkwood Ski Village) by virtue of being Leader of the sponsoring Authority.</p>	
<b>3</b>	<p><b>Notes of Last Meeting</b></p> <p>The notes of the previous meeting held on 5<sup>th</sup> November 2018 were agreed to be an accurate record of the meeting.</p>	
<b>4</b>	<p><b>Mayoral Update</b></p> <p>A report was received to provide LEP Board Members with an update on key Mayoral activity relating to the economic agenda.</p> <p>Mayor Jarvis referenced the forthcoming Brexit vote and informed members of continuing efforts to urge the Chancellor to confirm his post-Brexit funding intentions.</p> <p>The meeting considered the report's reference to the Sheffield City Region Mayoral Combined Authority, securing Living Wage Accreditation, setting an example for other organisations to become Living Wage employers. Members considered the issues and practicalities to be addressed for the PTE to fully realise this ambition.</p> <p>Subsequent consideration was given to the SCR and Local Authorities' ability to achieve their ambitions given a number of known and potential threats to various future funding streams including Brexit. It was agreed to consider these matters in greater detail at the next SCR Mayoral Combined Authority meeting.</p>	

<p><b>5</b></p>	<p><b>LEP Review</b></p> <p>A report was received to provide an update to the Board on discussions with the Ministry for Housing, Communities and Local Government (MHCLG) and Derby, Derbyshire and Nottingham and Nottinghamshire (D2N2) LEP since the last Partnership Board meeting in November.</p> <p>It was noted the report focusses on the previously acknowledged issue of overlapping LEP geographies and the government’s ambition to see these overlaps removed. It was noted this issue is not unique to the SCR.</p> <p>The meeting was informed that written clarification of the government’s position on this matter has been sought.</p> <p>The leaders / delegates of the SCR and D2N2 overlapping districts were evaluating their position in the event where membership of two LEPs was no longer feasible or permissible.</p> <p>The Chair indicated this would be a key matter for his individual conversations with the Leaders over the next few weeks.</p> <p>Cllr Gordon suggested his district had benefitted from being in two LEP areas.</p> <p>James Muir advised that the continuation of the overlap status quo was no longer practicable given the recent feedback from government that penalties would be applied in the future, if overlaps remained unresolved. There was agreement that this assessment was correct and that the overlapping districts would have to make a decision on their LEP alignment preference.</p> <p>James Muir expressed a view that it was for each overlap district to make a decision on their LEP preference and that this view would be respected by the SCR LEP. Cllr Sir Steve Houghton concurred with this view.</p> <p>RESOLVED, that James Muir would meet with each of the overlapping district leaders to discuss and understand their view and decision-making process.</p>	
<p><b>6</b></p>	<p><b>Governance Changes</b></p> <p>A paper was presented outlining a proposal to modify the governance process within the SCR. The intention is to create a more efficient, collaborative decision-making model between the M A and LEP to ensure better alignment, and minimise duplicated effort, in driving forward key initiatives.</p>	

	<p>Richard Stubbs requested an audit report listing all of the active and non-active boards within the remit of the LEP.</p> <p>Julia Muir asked two questions. Firstly, what reassurance can be given that the private sector voice will be heard at the sub group level. In response Ruth Adams referred to the consensus requirement for decision making at the sub boards, which effectively enables any member of the sub board to veto and the subsequent referral of the matter to the LEP or CA, as relevant for the issue in question. Secondly, it was requested that gender diversity be included as a strategic element of the skills board.</p> <p>Cllr Dore questioned the timing of these changes and when these would come into effect. It was set out that these changes would come into force from April 2019 and that the success of these would be reviewed to understand effectiveness after six months and identify any modifications required.</p> <p>RESOLVED, that the Board agrees the proposed approach to strengthen governance in the SCR.</p>	
7	<p><b>Brexit</b></p> <p>A report was presented to inform the Board on the possible impacts of Brexit. A discussion took place which highlighted different views and opinions on the subject.</p> <p>It was recognised that businesses in the region require some guidance from the LEP on how to prepare for and respond to the approaching challenges posed by Brexit.</p> <p>RESOLVED, that the SCR Executive develop an advisory tool to assist local businesses in assessing their preparedness and developing associated action plans to respond to the implications of Brexit.</p>	
8	<p><b>LGF Programme Update and Acceptance of new schemes to the LGF programme</b></p> <p>A report was received to provide an update on the Local Growth Fund (LGF) Quarter 3 and to also seek approval for a number of schemes to enter the programme and progress through the Assurance process to Full Business Case (noting these schemes will also be presented to the MCA for spend approval).</p> <p>It was noted the LGF programme is on track to spend its full 2018/19 budget.</p>	

	<p>RESOLVED, that the Board:</p> <ol style="list-style-type: none"> <li>1. Notes the Q3 LGF position and delegates to the Managing Director, in discussion with the MCA S73 Finance Officer, the submission of the Q3 Delta Dashboard in accordance with the deadline set by MHCLG.</li> <li>2. Approves the entry of Barnsley Glassworks into the programme.</li> <li>3. Approves the entry of Parkwood Ski Village into the programme.</li> <li>4. Approves the entry of Digital Campus – Digital Media Centre Two into the programme.</li> <li>5. Approves the entry of Waverley District Local Centre into the programme.</li> </ol>	
<b>9</b>	<p><b>Strategic Economic Plan and Local Industrial Strategy</b></p> <p>There was a discussion as to the need to develop a new SEP and Industrial Strategy, particularly in the light of the launch of the Government's Shared Prosperity Fund that is expected to commence from 2021.</p> <p>RESOLVED, that a workstream and process map would be developed to outline the resource and milestones required to deliver a SEP and Industrial Strategy this year.</p>	
<b>10</b>	<p><b>Managing Director's Report</b></p> <p>A report was received to provide the Board with a general update on activity being undertaken by the LEP outside of the agenda items under discussion.</p>	
<b>11</b>	<p><b>Resolution Records</b></p> <p>RESOLVED, that the recommendations arising from the SCR HIEB meeting of 15<sup>th</sup> November are duly noted and endorsed.</p>	

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## SOUTH YORKSHIRE FIRE AND RESCUE AUTHORITY

14 JANUARY 2019

PRESENT: Councillor C Lamb (Chair)  
Councillor A Atkin (Vice-Chair)  
Councillors: R Taylor, C Ross, S Ayris, M Clements, P Haith,  
C Ransome, J Satur, C Hogarth and Dr A Billings

CFO J Courtney, QFSM, ACFO A Johnson, AM T Carlin, S Booth  
and AM S Helps  
(South Yorkshire Fire & Rescue Service)

A Brown, M Potter, N Copley, A Frosdick, M McCarthy, L Noble,  
D Cutting, R Bywater and M McCoole  
(Barnsley MBC)

M Buttery  
(Office of the South Yorkshire Police and Crime Commissioner)

Apologies for absence were received from Councillor T Damms,  
Councillor T Hussain, D Terris, S Nicholson and DCFO M Blunden

### 1 APOLOGIES

Apologies for absence were noted as above.

### 2 ANNOUNCEMENTS

None.

### 3 URGENT ITEMS

An item, Minute 12, was subsequently raised within the meeting in relation to the purchase of thermal imaging cameras.

### 4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None.

### 5 DECLARATIONS OF INTEREST BY INDIVIDUAL MEMBERS IN RELATION TO ANY ITEM OF BUSINESS ON THE AGENDA

Councillors Ayris and Atkin declared non-pecuniary interests in relation to Item 13 on the agenda entitled 'HOPE Trauma Support Group SSCR Business Case'. Councillor Ayris was the Chair of the HOPE Board of Trustees and he was an authorised signatory of the HOPE CIO bank account, and Councillor Atkin was a Trustee of the HOPE Board. ACO Johnson and D Cutting were also Trustees of the HOPE Board.

6 REPORTS BY MEMBERS

Members provided a summary of the following visits attended since the last Authority meeting held on 26 November 2018:- LGA Fire Leadership Essentials Course which included speeches from the HMICFRS and an update from the Deputy Mayor of London on the Grenfell Tower Fire, the joint SYFR and South Yorkshire Police (SYP) Carol Service held at Sheffield Cathedral, the Prince's Trust presentation in Rotherham and the 62<sup>nd</sup> Recruits Graduation Ceremony.

7 RECEIPT OF PETITIONS

None.

8 TO RECEIVE ANY QUESTIONS OR COMMUNICATIONS FROM THE PUBLIC, OR COMMUNICATIONS SUBMITTED BY THE CHAIR OR THE CLERK AND TO PASS SUCH RESOLUTIONS THEREON AS THE STANDING ORDERS PERMIT AND AS MAY BE DEEMED EXPEDIENT

None.

9 MINUTES OF THE AUTHORITY MEETING HELD ON 26 NOVEMBER 2018

Councillor Ross requested an update in relation to the succession planning following DCFO Blunden's appointment to the position of Chief Fire Officer of the Scottish Fire and Rescue Service.

CFO Courtney stated that an advertisement had recently been placed for the position of Deputy Chief Fire Officer, with a closing date of 1 February 2019. SYFR was liaising with colleagues from BMBC on the appointment process. The final interviews were likely to be conducted by the Authority's Appointments Committee during the first week of March 2019. DCFO Blunden's appointment with SYFR would cease with effect from 20 January 2019. From 21 January 2019, ACO Johnson would become the temporary Deputy Chief Fire Officer, AM Carlin would become the temporary Assistant Chief Officer, with appropriate backfilling.

Councillor Taylor queried whether SYFR's Procurement Team had visited the 11 fire and rescue services across the country who engaged with the same organisation as SYFR, to provide firefighting resilience arrangements during periods of industrial action, and he sought confirmation as to whether those arrangements were similar to that of SYFR.

CFO Courtney commented that Securitas had not disclosed the detailed arrangements of the other 11 fire and rescue services that it engaged with. He was unaware whether the arrangements in place with those fire and rescue services were akin to those of SYFR. SYFR has signed a contract with Securitas for a further 12 month period. SYFR's Procurement Team would liaise with those 11 fire and rescue services during the first part of the year, to determine whether there were other competitors within the market which provided the same services as Securitas.



Councillor Lamb highlighted that it had been determined that there were no other competitors within the market at the current time, and that he would like consideration to be given to the possibility of stimulating that market.

Councillor Ransome referred to a former SYFR employee who had contacted her again to indicate that he had still not received his national insurance contribution payments.

Councillor Lamb requested Councillor Ransome to provide S Booth with the individual's details, outside of the meeting.

The Director of Support Services commented that from the New Year, an agency worker had commenced at SYFR, over a 3 month period, to organise the national insurance contribution records for all members of SYFR staff. It was envisaged that all of the issues would be resolved in the near future.

Councillor Ayris queried when a final report in relation to the closure of SSUK would be presented to the Authority, and also a report relating to the detriment claim figures for SYFR staff for Close Proximity Crewing.

The Director of Support Services stated that SSUK had ceased trading on 25 August 2018. An external firm of accountants had prepared the accounts, which had shown a small profit for the year ended 25 August 2018. Work was underway to close down the company, with an anticipated completion date of April 2019.

CFO Courtney reported that the detriment claim issue relating to SYFR staff for Close Proximity Crewing had still not concluded. SYFR had been approached with a possible out of court settlement after the first week of the court hearings. Negotiations were underway and a report would be presented to the Authority to include legal and other associated fees in due course.

RESOLVED – That Members agreed that the minutes of the meeting held on 26 November 2018 be signed by the Chair as a correct record.

## 10 COLLABORATION UPDATE

A report of the Chief Fire Officer and Chief Executive was submitted providing Members with an update on the progress being made on the current areas of collaboration with South Yorkshire Police; a view on continuing Fire – Fire collaboration and the background information on the Policing and Crime Act 2017.

The SYFR Collaboration Programme Manager had commenced in post over Christmas 2018, with the remit to develop SYFR collaboration within the Yorkshire and Humber and East Midlands areas, including SYP and SYFR collaboration.

Collaboration continued with other fire and rescue services for the purchase of replacement Personal Protective Equipment through a regional approach and the next generation of appliance Mobile Data Terminals orders. SYFR was also in discussions with Nottinghamshire Fire and Rescue Service in relation to the closer working around specialist roles.

Members noted the recent financial savings resulting from the collaboration between SYFR and West Yorkshire Fire and Rescue Service, for the purchase of new rescue equipment for use at road traffic collisions.

AM Helps, Head of Prevention and Protection, continued to oversee the Joint Community Safety Department (JCSD) and to promote the work undertaken. Essex County Fire and Rescue Service and the Police service had recently visited the JCSD to gain learning from the project.

The Joint Vehicle Fleet Management strategy and performance framework was now in place, and consideration was being given to various options to move the SYP bodyshop staff into the Eastwood workshop.

Councillor Ross sought assurance that the collaboration was progressing in a smooth manner; he considered it imperative that the collaboration agenda maintained its momentum.

The Director of Support Services reported on the current position in regard to Estates Management on the priorities for the Service. SYFR was on a journey in terms of Joint Estates and Facilities Management, and progress had been reported to Members each month. Further work would be undertaken on the soft FM, together with the appointment of outside contractors over next 6 months. SYFR would continue to operate singly, as had been accepted by both partners at the outset of the appointment of the Head of Joint Estates and Facilities Management. He was aware of the pressures to realise the potential business benefits of collaboration, which SYFR was keen to be explored at the appropriate time, and in accord with the timeline that had been discussed with the Office of the Police and Crime Commissioner prior to Christmas 2018.

Members noted the collaborative working within the JCSD and the improvements that were being made within the local communities.

CFO Courtney stated that from his perspective, SYFR was a very lean organisation by necessity, not least due to support staff having been subject to two service reviews over the last 2 years. He considered that it would be irresponsible to allow the collaboration programme to detract from the day to day working of SYFR, which at present had a £15m capital commitment.

Councillor Haith welcomed the national recognition received for the JCSD. She requested that future reports included a breakdown of the financial savings.

Dr Billings recognised the pressures faced by SYFR in terms of the capital programme, but he considered that further work was required to reach a solution.

RESOLVED – That Members noted the contents of the report.

11 DRAFT POLICE AND FIRE COLLABORATION BOARD MINUTES OF  
29 NOVEMBER 2018

RESOLVED – That Members noted the draft minutes of the Police and Fire Collaboration Board held on 29 November 2018.

12 BUDGET UPDATE 2018/19 QUARTER 3

A report of the Chief Fire Officer/Chief Executive and Clerk and Treasurer was submitted as the third in a series of reports presented to Members. The report included an updated general reserves position statement and an update on the capital programme, alongside a narrative commentary on the key financial changes that were contributing to each of them.

Members noted a total of £50.112m for the 2018/19 operating budget, which included a £0.227m approved budget carry forward as at (25 June 2018). There was a projected net operating spend of £50.056m, based upon the income and expenditure to December 2018, which resulted in an overall operating underspend of £0.056m or 0.1% of the budget.

Councillor Clements expressed his frustration at the lack of progress being made, particularly around the building of the new Barnsley Fire Station. He suggested that quarterly reports should be submitted to the Authority to provide an indication of the schedule.

The Director of Support Services stated that a report would be submitted to the Authority meeting in February 2019, from the Joint Head of Estates and Facilities Management, regarding the new estates plan and a property update for Barnsley Fire Station, to include a revised programme and the planned activity for the refurbishment of the four fire stations at Edlington, Askern, Tankersley and Lowedges. The contractors had signed off a scope of works for each fire station. There was a number of other ongoing projects which included a heating and ventilation review at Fire Headquarters and Dearne Fire Station. The refurbishment of the gymnasiums at Doncaster and Adwick-le-Street had recently been completed. It was envisaged that significant progress would be made in respect of the capital programme over the next 12 month period.

Councillor Ayris queried whether any specific projects were earmarked from the general reserves. He also queried the BMBC service charge to SYFR, the impact of service delivery in light of the reduction of contingency firefighter numbers, and the matters in hand to address the continuing reduction in firefighters.

The Director of Support Services stated that the contribution to the general reserves was just over £1m, with a £316k deficit for the period 2019-20. The intention, in terms of the strategy, had been that it would go into the general reserves or would be utilised for capital investment purposes. He highlighted the need to reflect - in representing the £0.505m general reserves - the identification of Close Proximity Crewing legal costs and the detriment claims which had not been included; cognisance of this would be taken when reporting back to the Authority. In April 2018, Members had approved the Service Level Agreement (SLA) for BMBC to provide services to both the Authority and SYFR. He would provide L Noble/M McCoole with the exact costings for the services SYFR received from BMBC through the SLA, for circulation to Members.

Councillor Ross queried the £0.075m saving made on smoke alarms, based upon the activity levels during the current financial year, which had resulted from the heightened emergency response during the long dry summer period.

It was agreed that Members would be provided with a copy of the SLA with BMBC, the Authority and SYFR, and he would identify the pertinent sections within it.

Under an Urgent Item, the Director of Support Services sought Authority approval for the purchase of 35 thermal imaging cameras at a cost of £160,000 from the capital programme. It had been the intention to present a report on the matter to the Authority Meeting in February 2019, but this had now become a more urgent issue.

Councillor Lamb stated that, despite the best efforts being made by SYFR, a number of the thermal imaging cameras had begun to fail whilst in operation. This had the potential to hamper firefighting operations. The urgency of the matter had not provided sufficient time for a report to be submitted to the Authority.

Dr Billings suggested that it would have been helpful for Members to have been provided with a brief written submission on the recommendation.

The Authority agreed to the purchase of the 35 thermal imaging cameras. Members noted that six thermal imaging cameras would be based at SYFR's training school for training purposes.

The Director of Support Services referred to the asset tracking project which enabled SYFR to obtain more refined data on all equipment, with the intention to utilise this data to replace equipment before it began to fail.

**RESOLVED – That Members:-**

- i) Noted and considered the latest estimated revenue performance which was showing an operating underspend of £0.056m for the financial year ended 31 March 2019.
- ii) Noted the latest estimated increase in General Reserves of £0.505m for the financial year ended 31 March 2019 which was broadly in line with expectations when the budget was set by Members in February 2018.
- iii) Noted the likely net impact of known financial risks that were as yet not able to be fully quantified at this stage in the financial year.
- iv) Noted the current capital programme position.
- v) Under consideration as an Urgent Item, approved the purchase of 35 thermal imaging cameras at a cost of £160,000 from the capital programme.

13 HOPE TRAUMA SUPPORT GROUP SSCR BUSINESS CASE

The Deputy Clerk presented a report which outlined the business case for using available funds from the Stronger Safer Communities Reserve (SSCR) to provide transition funding to enable HOPE to move towards becoming an independent organisation and to facilitate a change in the business relationship between SYFR and the charity.

Members queried whether the arrangements had been finalised for Age UK Sheffield to become the host employer for HOPE.

R Bywater stated that discussions were still ongoing, and that the arrangements for a host employer had not yet been finalised.

Dr Billings queried whether those Members that had declared a non-pecuniary interest on the matter should remain in the meeting room whilst the discussion ensued.

The Monitoring Officer commented that local authorities worked under the general principle that an individual who had declared an interest should be permitted to remain in the meeting room whilst the matter was discussed; it would be unusual for an individual to be asked to leave the meeting room for an item of this nature.

Members queried the reason why the annual grant of £5,000 from the SYFR Community Safety budget, which the Authority had approved in 2015, should continue until March 2020, when the SYFR host employer support with HOPE had ceased in December 2018.

CFO Courtney suggested that the arrangement for the £5,000 annual grant was on a financial year basis, hence the reference to March, but could not explain why the recommendation extended to 2020.

Councillor Lamb suggested that the Authority withheld from making a decision on the removal of the £5,000 annual payment to HOPE from the SYFR Community Safety budget, until further clarification had been sought. He requested that a further report be presented to the Authority meeting on 11 February 2019.

Councillor Ransome sought clarification on the state aid threshold. The Monitoring Officer would provide Members with written clarification.

The Authority's HR Advisor made an observation in regard to the person specifications for the Business Development Manager and the Partnerships and Fundraising Manager posts, which was noted.

RESOLVED – That Members:-

- a) Noted the contents of the report.
- b) Approved the £57,376 funding to enable a period of transition for HOPE to continue its work in preventative community action and also the provision of support for people who had suffered bereavement through a fire, road traffic

collision (and other fire and emergency service related incidents) or through witnessing a related traumatic fatal incident.

- c) Agreed to withhold giving approval for the removal of the £5,000 annual payment to HOPE from the SYFR Community Safety budget with effect from March 2020, until further clarification had been sought.

14 EMERGENCY SERVICES MOBILE COMMUNICATION PROGRAMME (ESMCP) PROJECT UPDATE

A report of the Chief Fire Officer and Chief Executive was presented to provide an update to Members on the recent progress made by the programme nationally and the local implications for SYFR. The Emergency Services Mobile Communication Programme (ESMCP) was a Government project to replace the Emergency Services (Airwave) Radio System.

A change of direction to the ESMCP Project had been agreed by the responsible Government Minister, following a number of delays that had been experienced nationally and a full project review that had been undertaken in 2018. It was anticipated that SYFR would receive a full business case within the next 6 weeks, which would enable an understanding of the timelines.

Members noted that the Systel system continued to fulfil the remit that it had been designed for. The ESMCP network would work with all mobilising systems, and Systel was aware of the need for changes to be made to the system in order to function as part of the emergency services network going forwards. Members would be kept informed of the position.

AM Helps commented that the ESMCP project was Government funded. A great deal of background work with IT support would be required in order to transfer to the ESMCP network, and the move would identify grant funding. The regional transition was undertaken on an incremental basis, with funding available to provide support in 2020.

Councillor Clements queried the level of coverage assurance that should be accepted as a minimum, in respect of the rural areas across Barnsley and the surrounding rural areas of South Yorkshire.

AM Helps referred to the new ESM platforms provided by 4G. SYFR was mindful that the coverage assurance would go hand in hand with SYP's coverage assurance, for a coordinated approach. SYFR had been assured that the coverage assurance programme was in the best possible position.

Councillor Ross queried whether the current Airwave network connection, which had been certified to 2022, had the ability to continue to be fully operational until 2022 or beyond.

CFO Courtney reported that the Airwave network connection was owned by Motorola, who was the main contractor for the new system, and they had given a commitment to continue to invest in the system.

RESOLVED – That Members noted and endorsed the information in the report.

15 KEY ISSUES ARISING FROM THE PERFORMANCE AND SCRUTINY BOARD HELD ON 29 NOVEMBER 2018

Members were presented with a key issues paper arising from the Performance and Scrutiny Board held on 29 November 2018.

RESOLVED – That Members noted the key issues paper of the Performance and Scrutiny Board held on 29 November 2018.

16 DRAFT MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 26 NOVEMBER 2018

RESOLVED – That Members noted the draft minutes of the Audit and Governance Committee held on 26 November 2018.

CHAIR

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

### LOCAL PENSION BOARD

17 JANUARY 2019

PRESENT: J Thompson (Employer, Action Housing) (Chair)

N Gregory (Academy Representative), N Doolan-Hamer (Unison), P Lofts (Employer BMBC), K Morgan (Unite), S Ross (Scheme Member) and G Warwick (GMB)

Officers: J Bailey (Head of Pensions Administration), G Graham (Fund Director) and G Richards (Senior Democratic Services Officer)

Apologies for absence were received from M McCarthy

#### 1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting. Apologies were noted as above.

#### 2 DECLARATIONS OF INTEREST

None.

#### 3 ANNOUNCEMENTS

The Chair put on record the Board's thanks to Geoff Berrett for his contribution to the Board's work and wished him well for his retirement.

#### 4 MINUTES OF THE MEETING HELD ON 4 OCTOBER 2018

In answer to a question from the Chair, the Head of Pensions Administration informed the Board that 99.2% of members had received their Annual Benefit Statements on time. As only 0.8% had received theirs after the deadline, this was not classed as a material breach and therefore it was not a requirement to report formally to the Pensions Regulator. It had however been reported informally to the Customer Relationship team and had been passed on to the case work team who advised no further action was required.

RESOLVED: That the minutes of the Board meeting held on 4 October 2018 be agreed as a correct record.

#### 5 WORK PROGRAMME

The Board considered its Work Programme.

Members noted that the Data Quality report would be submitted every six months for the Board to consider.

A comprehensive Employer Survey had been issued, the deadline for which was the following week. A report detailing the outcome of this survey would be brought to the March meeting of the Board.

Members were informed that the Authority had approved the 2019/20 meeting schedule at its meeting earlier in the day. The schedule would be circulated to Local Pension Board members after the meeting.

RESLVED: That the Work Programme be noted.

## 6 LOCAL PENSION BOARD EXPENDITURE MONITORING

Members were presented with the Board's expenditure to 16 January 2019.

RESOLVED: That the budgetary position be noted.

## 7 DATA QUALITY AND IMPROVEMENT

A report was submitted to update the Board on the initial measurement of data quality provided to the Pensions Regulator and set out a draft Data Quality Improvement Plan.

Members were informed that the Pensions Regulator's Code of Practice 14 stated that *"Schemes should continually review their data and carry out a data review exercise at least annually. This should include an assessment of the accuracy and completeness of the member information held."*

The in-house IT team at SYPA had developed a Data Analysis and Reporting Tool (DART) many years ago to analyse the data held on the pensions administration database and identify areas for improvement.

Until now, the DART tool had been used to run a series of validation reports but over the next few months would be developed further to enable SYPA to accurately measure specific data fields on an ongoing basis. This would provide the basis for calculating on overall data quality score.

Members were reminded that in 2018/19 LGPS funds were for the first time required to report to the Pensions Regulator on the quality of common and conditional (scheme specific) data in the submission of the annual Scheme Return.

SYPA had measured its common and conditional data using a combination of DART reports and existing guidance. The scores submitted for 2018/19 were:

Common data	96%
Conditional data	87%

Members noted that although the measurement of conditional data was subjective and no comparative statistics had been published, informal discussions amongst funds suggested that SYPA scores were comparable with other LGPS funds.

The proposed Data Quality Improvement Plan was attached at Appendix A to the report.

Section 1 of the Plan focussed on common data. The largest issue in this area was the lack of a current address details for deferred members. The Regulator's Code of Practice states that where schemes have failed to make contact with members they should carry out a tracing exercise to locate the members.

SYPA would look to engage with other funds in carrying out any address tracing exercise with a view to cutting costs.

Section 2 of the Plan focussed on Conditional Data and it was noted that most of the cleansing would have to be carried out through manual intervention. This would be scheduled over a reasonable time frame to incorporate within existing resources.

Section 3 identified a number of areas that required improvement and development to improve the overall quality of the data. It was anticipated that this section would be further developed over time.

It was noted that inaccurate data could impact the actuarial valuation and in some areas have a potential impact on members. It was agreed to update the Plan to indicate those errors which could have an impact on members benefits.

RESOLVED: That the report be noted.

8 BORDER TO COAST PENSIONS PARTNERSHIP JOINT COMMITTEE -  
SCHEME MEMBER REPRESENTATION

A report was submitted to make the Board aware of the arrangements agreed by the Border to Coast Joint Committee in order to secure scheme member representation on that Committee.

Members were informed that Border to Coast's Joint Committee had, in line with guidance issued by the Scheme Advisory Board, agreed to the inclusion of a scheme member representative as an observer on the Committee.

The Joint Committee wished to draw this observer from amongst the scheme member representatives on the 12 Local Pension Boards. A request had been received for a maximum of one nomination from each Local Pension Board to be provided by the end of January. Should there be more than one nomination an election would be held using the Single Transferable Vote mechanism. It was required that nominations be agreed by each Board's scheme member representatives and that one of those representatives should be nominated to cast the Fund's vote should an election be required.

Arrangements had been made for the Chair to facilitate a meeting at the conclusion of the meeting in order to consider whether South Yorkshire should nominate an individual and to agree arrangement for casting the Fund's should that be required.

Garry Warwick expressed extreme disappointment at Border to Coast's refusal to acknowledge the importance of Trades Union representation on Joint Committees. Although he would participate in the process he totally disagreed with what Border to Coast proposed and would be looking into the possibility of making a formal complaint to the Scheme Advisory Board.

The Chair requested that he kept the Board informed of any developments.

The Fund Director would invite the Chair of the Joint Committee to the next meeting of the Authority to answer any questions members may have.

RESOLVED: That the report be noted.

## 9 ADMINISTRATION AND EMPLOYER PERFORMANCE

A report was considered which updated the Board on administration issues for the period 1 July 2018 to 30 September 2018.

J Bailey acknowledged that the figures were slightly out of date due to the timing of meetings but informed the Board that this would be rectified during the coming year.

Members noted that the overall performance level was down from the previous quarter but this had been expected due to the requirement to process all the Year End returns in preparation for the issue of Annual Benefit Statements.

The report contained a table which showed the casework areas broken down by subject type. For comparison purposes the equivalent figures for 2017-18 were also shown.

The Head of Pensions Administration had carried out a piece of work to survey members on target days to ensure they were appropriate and aligned with scheme member expectations and would be recommending an updated set of targets to the Authority.

The Board noted that Employers performance had improved overall whilst acknowledging there was still room for further improvement.

With regard to Monthly Data Collection (MDC), some of the earlier submission issues, with Capita in particular, had been resolved following SYPA intervention and all monthly returns had now been received satisfactorily for April, May and June.

Now that MDC had been embedded as business as usual officers were working to develop the process to enable the monthly files to drive the collection of contributions by direct debit to achieve a more integrated outcome by removing the requirement for separate reconciliations. Consultation with employers would commence in the near future.

The report contained an update on the GMP reconciliation exercise. ITM had submitted the final batch of reconciliation queries to HMRC by the deadline of 31 October 2018. Appendix A to the report showed the latest project update from ITM as at December 2018.

RESOLVED: That the report be noted.

#### 10 REVIEW OF BREACHES, COMPLAINTS AND COMPLIMENTS

A report was submitted which updated the Board on the latest record of reported breaches and provided details of the complaints reporting for Quarter 2.

As requested at the Board's last meeting additional information had been included on:

- Whether a breach had been specifically reported to the Data Protection Officer (DPO).
- Whether any wider process changes/improvement actions were identified as a result of the breach.

Members noted there had been three breaches during the period, none of which had been reported to the DPO.

There had been four complaints during the Quarter, two of which were out of the Authority's control.

RESOLVED: That the report be noted.

#### 11 ANY OTHER BUSINESS

The Chair informed the Board that, due to a change in circumstances, she was unable to continue to Chair the Board as an Employer representative.

Arrangements for a temporary Chair to handle the next meeting were agreed.

Sue Ross also announced that she was standing down as Vice-Chair due to increased work commitments. This post would be filled at the Board's Annual Meeting in July.

Officers would begin the recruitment to the vacancies on the Board and would also look at options for the position of Chair, including the employment of an independent Chair and bring an options report to the next meeting of the Board. This would allow the Board to make recommendations to the Authority.

CHAIR

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# **SOUTH YORKSHIRE PENSIONS AUTHORITY**

**17 JANUARY 2019**

PRESENT: Councillor S Ellis (Chair)  
Councillor M Stowe (Vice-Chair)  
Councillors: A Bainbridge, S Cox, A Hurst, J Mounsey,  
A Sangar, I Saunders, A Teal, R Wraith and K Wyatt

Trade Unions: N Doolan-Hamer (Unison), D Patterson  
(UNITE) and G Warwick (GMB)

Officers: J Bailey (Head of Pensions Administration),  
B Clarkson (Head of Finance), N Copley (Treasurer),  
A Frosdick (Monitoring Officer), G Graham (Fund Director) and  
G Richards (Senior Democratic Services Officer)

Apologies for absence were received from M McCarthy

1 **APOLOGIES**

The Chair welcomed everyone to the meeting. Apologies were noted as above.

2 **ANNOUNCEMENTS**

There was no announcements.

3 **URGENT ITEMS**

None.

4 **ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS.**

None.

5 **DECLARATIONS OF INTEREST.**

There was no declarations of interest.

6 **MINUTES OF THE AUTHORITY MEETING HELD ON 22 NOVEMBER 2018**

RESOLVED: That the minutes of the Authority meeting held on 22 November 2018 be agreed and signed by the Chair as a correct record.

7 **DRAFT MINUTES OF THE MEETING OF THE INVESTMENT BOARD HELD ON 13 DECEMBER 2018**

RESOLVED: That the minutes of the meeting of the Investment Board held on 13 December 2018 be noted.

8 WORK PROGRAMME

The Authority considered its Work Programme.

The Fund Director reported that at the next Authority meeting there would be a comprehensive Work Programme for the whole municipal year which would reflect the changes in the governance arrangements.

RESOLVED: That the Work Programme be noted.

9 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

None.

10 COMPLIANCE WITH THE PRINCIPLES FOR INVESTMENT GOVERNANCE: SELF-ASSESSMENT

A report was submitted to update Members on the CIPFA Code of Practice on public service pensions finance knowledge and skills and the self-assessment against the Principles for Investment Governance.

Members were reminded that the Regulations did not now make for provision to report against the principles but the Authority had previously decided to continue with self-assessment to evidence that the principles of good governance were being maintained.

RESOLVED:

- i) That the Authority note the contents of the report.
- ii) That Members confirm their commitment to the self-assessment process.
- iii) That Members agree to any development needs arising from the results.

11 REVENUE ESTIMATES 2019/20

A report was submitted to request the Authority to formally confirm the draft budget proposals that had previously been considered at its meeting on 22 November 2018.

B Clarkson informed Members that the key elements of the proposals had been the subject of consultations with various interested parties; no changes had been suggested.

The report was only concerned with the Authority's operating budget. The report presented in November also contained a forecast for the Fund Account over the coming year which reflected those costs, such as management fees, charged directly to the Pension Fund. This forecast was being updated to reflect the final Border to Coast budget proposals which were currently going through the shareholder approval process. The final proposals result in no material change to the bottom line forecast for the Fund Account.



The Chair commented that the new format for the report was not easy to read, and while appreciating the enhanced transparency of the report, requested that the format be looked at again.

RESOLVED: That the Authority formally confirm the budget proposals and approve the budget of £5,445,600 for 2019/20.

12 MEETINGS OF THE AUTHORITY IN 2019/20

A report was submitted to consider the proposed schedule of Authority meetings for 2019/20.

The schedule reflected the changes to the governance arrangements and also included Member seminars and external training events and conferences.

RESOLVED: That the schedule of Authority meetings for 2019/20 be approved.

CHAIR

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**SOUTH YORKSHIRE POLICE AND CRIME PANEL**

**IN MEETING ROOM 14, TOWN HALL, CHURCH STREET, BARNSELY, S70 2TA**

**3 DECEMBER 2018**

PRESENT: Councillor A Khayum (Sheffield City Council) (Chair)

Councillors: M Dyson (Barnsley MBC), R Frost (Barnsley MBC), D Nevett (Doncaster MBC), M O'Rourke (Sheffield CC), P Short (Rotherham MBC) and S Wilkinson (Doncaster MBC)

Independent Co-opted Members: Mr A Carter and Mr S Chu

Dr A Billings (South Yorkshire Police and Crime Commissioner), M Buttery (Office of the South Yorkshire Police and Crime Commissioner), M Clements (Office of the South Yorkshire Police and Crime Commissioner) and S Mawson (Office of the South Yorkshire Police and Crime Commissioner)

Officers: M McCarthy, L Noble and A Shirt (Barnsley MBC)

Guests in attendance: Chief Constable S Watson and Councillor J Steinke (Sheffield City Council)

Apologies for absence were received from Councillor S Sansome (Rotherham MBC), Councillor B Johnson (Sheffield City Council), Councillor J Otten (Sheffield City Council) and D Cutting (Barnsley MBC)

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were noted as above.

2 **ANNOUNCEMENTS**

Councillor Khayum welcomed Councillor Peter Short, the new representative for Rotherham MBC to his first meeting of the Panel. The Panel recorded their thanks to the outgoing Member, Councillor Brian Cutts for his contribution to the work of the Panel.

An extended welcome went to Chief Constable Watson and to Councillor Jim Steinke.

3 **URGENT ITEMS**

None.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None.

5 DECLARATIONS OF INTEREST BY INDIVIDUAL MEMBERS IN RELATION TO ANY ITEM OF BUSINESS ON THE AGENDA

None.

6 PUBLIC QUESTIONS:-

6A TO THE POLICE AND CRIME COMMISSIONER

There were no public questions to the Police and Crime Commissioner.

6B TO THE POLICE AND CRIME PANEL

There were no public questions to the Police and Crime Panel.

7 MINUTES OF THE PREVIOUS MEETING HELD ON 3RD SEPTEMBER 2018

RESOLVED – That the minutes of the Police and Crime Panel held on 3 September 2018 be agreed and signed by the Chair as a correct record.

8 COMMISSIONING REPORT - FEEDBACK FROM SHEFFIELD DISTRICT

Councillor Khayum welcomed his colleague Councillor Jim Steinke, Member of Sheffield City Council and Chair of the Sheffield Safer and Sustainable Communities Partnership to the meeting.

Councillor Khayum commented that the Panel was pleased to be making progress in establishing stronger links with District CSPs, and to hear from them what the hot topics are in their area, how they are working with the Commissioner's Office (OPCC) and how the Panel can help and support their work.

Councillor Steinke informed the Panel about the work being undertaken by the Sheffield Safer and Sustainable Communities Partnership. In summary, the Partnership had drafted its own Community Safety Plan which would be launched early in the New Year.

The Partnership's working relationship with the OPCC was very good. He commented that the opportunity to attend both PAB meetings and today's Police and Crime Panel meeting had been very advantageous.

Councillor Steinke felt that it would be beneficial for the Chair of the Police and Crime Panel to attend a future meeting of the Sheffield Safer and Sustainable Communities Partnership to provide an update on the work of the Panel. Additionally, he felt that it would be advantageous to be able to raise CSP issues at meetings of the PAB and the Police and Crime Panel.

RESOLVED – That Police and Crime Panel Members thanked Councillor Steinke for his update.

9 NEIGHBOURHOOD POLICING UPDATE

Chief Constable Watson provided Members with a verbal update on Neighbourhood Policing.

Infographics were circulated to Members setting out information on the number of officers in neighbourhoods, the top-10 organisations with the most calls for police service for each district, pre September 2017, post September 2017 and the number of officers engaged in neighbourhoods and in the Force's OSU for 2019 onwards.

The following key points were noted:-

- There were now 33 Sergeants, 139 Constables and PCSOs all dedicated to Neighbourhood Policing in South Yorkshire.
- 650 officers, staff and partners had received training in problem solving to reduce elements of demand.
- Neighbourhood Policing Teams across all 4 districts were re-engaging with their communities and re-embedding public confidence and trust in the Force.
- The SYP Alerts were cited as an example of where the Force is engaging with people through social media, as well as through face-to-face meetings.
- In addition to the dedicated neighbourhood policing teams, the district based local Safer Neighbourhood Teams were now co-located with local authority partners to deal with missing people, mental health issues, housing issues and education issues.
- The Force is currently recruiting 40 new officers up to March 2020, with 18 new recruits joining the Force every month.
- 30 new officers would be diverted into neighbourhood policing duties from the 40 new recruits.
- Of this, 17 officers would be placed in the Doncaster district.
- Of the 10 remaining, 5 new officers would be placed to protecting vulnerable people, 3 to the Prisoner Investigation Team in Doncaster and procuring 2 extra dog handlers.

Members asked a range of questions in relation to the re-introduction of neighbourhood policing with detailed responses being provided by Chief Constable Watson.

In respect of Force performance, Chief Constable Watson anticipated that, at the next HMICFRS inspection of the Force in February 2019 it would be rated as 'good' in all areas. There was a realistic expectation that the momentum that the Force had built up in respect of neighbourhood policing would bring the Force to a place in the next 12 months where they may have their first 'outstanding' rating from HMICFRS.

Councillor Khayum thanked Chief Constable Watson for attending today's meeting and requested that a further update be given in 3-6 months' time.

RESOLVED – That Police and Crime Panel Members:-

- i) Thanked Chief Constable Watson for his update.
- ii) Requested that an update on Neighbourhood Policing be presented to the Panel in the next 3-6 months.

10 101 UPDATE

Chief Constable Watson provided Members with a verbal update on the 101 call handling system.

The following key points were noted:-

- Since 2010, whilst the number of resources handling calls had remained static, the call handling demand had increased exponentially.
- Throughout 2017 to the early part of 2018, the Force had received over 0.5m 101 calls.
- There had been 13,000 non-emergency calls and 660 emergency call every day.
- Over the last 12 months emergency (999) calls had gone up by 9%, which had to be prioritised over non-emergency calls.
- Whilst 101 calls had remained relatively static, call handling performance around 999 had been sustained, despite the very significant up rate of the amount of demand.
- In relation to call handling performance, HMICFRS had rated the Force as being 'good' in terms of the standard of the call assessed against threat, risk and harm.

Chief Constable Watson acknowledged that the 101 system had received a large amount of criticism from the public who were routinely waiting too long to have their calls answered on some occasions.

To address this issue, the Force had invested significantly in new contact management platforms to improve efficiency. Members noted that the Smartcontact telephone system had now gone live. The new system was more reliable and would help to reduce pressure on the 101 system. The next step was to introduce a call-back system, providing the opportunity for those callers wanting non-emergency help to leave their details so that officers and staff could call them back.

Chief Constable Watson highlighted that the Force needed to educate the public around when it was appropriate to dial 999, 101, and when it was appropriate to dial another service.

Councillor Wilkinson commented that many communities had stopped reporting crime and antisocial behaviour to the Force, because of the length of time they were waiting for their call to be answered, thus having no confidence in the police and crime recording statistics. She asked what the Force was going to do to increase public confidence in South Yorkshire Police.

Chief Constable Watson explained the actions that the Force had implemented to increase public trust and confidence in the Force through the reintroduction of the neighbourhood policing model. Furthermore, reporting and recording issues of harassment had increased by 72% in 2017. The Force do encourage people to report crime and antisocial behaviour, all of which would be responded to by the Force.

Chief Constable Watson stated that, if Members had any further questions with regards to the 101 system they could be emailed to him.

RESOLVED – That Police and Crime Panel Members thanked Chief Constable Watson for his update.

11 THE RENEWAL OF THE PCC'S POLICE AND CRIME PLAN 2019/20

A report of the Commissioner was submitted to provide Members with information around the emerging policing and crime priorities that are likely to be reflected in the renewal of the Commissioner's Police and Crime Plan.

A final draft of the Plan would be consulted on with key stakeholders (including the Police and Crime Panel) between now and February 2019, with performance measures being in place by 1 April 2019.

A Carter referred to paragraph 7 of the report (bullet no 2), he asked that, with regards to the introduction of new IT, could this be extended to include Artificial Intelligence.

The Commissioner replied that, if appropriate, he would submit a report to a future meeting.

In relation to forging stronger collaboration with partners, the Commissioner informed Members that he had considered an options paper for a change to the governance arrangements of the Fire and Rescue Service. Following independent appraisal, he did not favour bringing the two organisations together under a single chief officer. He would continue with the present arrangements where Police and the Fire and Rescue Service come together at a Collaboration Board, provided that the pace and depth of collaboration could be maintained.

RESOLVED – That Members of the Police and Crime Panel noted the contents of the report and commented on any matters arising.

12 MONITORING DELIVERY OF THE POLICE AND CRIME PLAN - QUARTERLY REPORT (JULY - SEPTEMBER 2018)

A report of the Commissioner was submitted to present the Quarterly Report for the period July-September 2018, produced from the developing Police and Crime Commissioner's (PCC's) Police and Partners Performance Framework.

The report also aimed to provide information about how the police and partners as well as the Office of the PCC (OPCC) are working to achieve the outcomes and priorities set out in the Police and Crime Plan for South Yorkshire. A copy of the

Quarterly Report was presented at Appendix A to the report for Members' information.

RESOLVED – That Members of the Police and Crime Panel noted the contents of the report and commented on any matters arising.

13 EARLY INTERVENTION YOUTH FUND

A report of the Police and Crime Commissioner was presented to provide Members with information on the Government's Early Intervention Youth Fund and the outcome of the PCC's funding bids.

Members noted that the Commissioner had submitted two bids to the Early Intervention Youth Fund. One was a sub-regional bid covering Barnsley, Doncaster and Rotherham and the second a Sheffield bid. Further details were presented in Appendix A to the report.

The Commissioner was pleased to report that, on 9 November 2018, both bids for funding had been successful, totalling £1.2m.

In response to a question from Councillor O'Rourke, M Clements confirmed that the OPCC would be undertaking monthly monitoring with regards to the utilisation of the funding to measure the successes and outcomes of the project / initiatives funded.

In relation to the Sheffield bid, Councillor Steinke anticipated that update briefings from the Sheffield Safer and Sustainable Communities Partnership would be circulated to a wider group of Sheffield Councillors and Officers.

Members requested that half-yearly update reports on the outcomes of the projects / initiatives funded be presented to the Panel.

M Buttery acknowledged the request; she added that the ideal forum to monitor the outcomes of the funding would be at the Countywide Community Safety Forum, which the Commissioner chairs, and which includes the Chairs of all District CSPs.

RESOLVED – That Members of the Police and Crime Panel:-

- i) Noted the contents of the report and commented on any matters arising.
- ii) Requested that half-yearly update reports on the outcomes of the projects / initiatives funded be presented to the Panel.

14 YOYO PRESENTATION

The Panel received a presentation from S Mawson, Senior Communications Officer, OPCC on the 'You're Only Young Once' (YOYO) initiative.

Members were informed that the YOYO initiative had been funded by the Commissioner and led by his office.



YOYO had been developed as an awareness campaign covering twelve themes to engage young people in schools to help them get their voices heard and prevent them from becoming victims of crime.

The OPCC was working in partnership with Bauer Academy and Hallam FM, to deliver a series of workshop and classroom based sessions. Students research social issues which affect them, create podcasts, radio advertisements, videos, Instagram stories and boomerangs on the subject. Through allowing young people to voice their own key messages, the Commissioner can then understand what the priorities are on key subjects.

YOYO had visited 38 South Yorkshire secondary schools since March 2017. The YOYO air campaign had reached 575,253 listeners across Hallam FM. The content produced by YOYO students across South Yorkshire had received over 10,000 hits on You Tube.

Councillors Frost and Nevett and A Carter thanked the OPCC for allowing them to observe a YOYO session, which they had all found to be extremely interesting and enjoyable. Panel Members' who had not observed a session were encouraged to attend a future YOYO session in their district.

RESOLVED – That Police and Crime Panel Members:-

- i) Thanked S Mawson for an interesting and informative presentation; and
- ii) Were encouraged to attend a future YOYO session in their district.

15 COMPLAINTS UPDATE & THE PCC'S COMPLAINTS POWERS

A report was presented to draw the Panel's attention to the government's proposed extension of the PCC's complaints handling powers regarding complaints about police conduct.

The report also provided the Panel with a regular update on complaints made against the Police and Crime Commissioner (PCC) during the period April to December 2018.

M Buttery asked if D Cutting could clarify the language used within paragraph 10 of the report to reflect the fact that the number of complaints received were not all against the PCC.

RESOLVED – That Members of the Police and Crime Panel:-

- i) Noted the synopsis of complaints received.
- ii) Noted and considered how it would scrutinise any revised PCC complaints powers and duties.
- iii) Noted that M Buttery's request would be followed-up by D Cutting in relation to the language used in paragraph 10 of the report presented at today's meeting.

16 PCC DECISIONS

A report of the Police and Crime Commissioner was presented to provide Members of the Panel with information on the decisions taken by the Commissioner since the last meeting.

RESOLVED – That Members of the Police and Crime Panel noted the contents of the report and commented on any matters arising.

17 LEARNING AND DEVELOPMENT UPDATE

A report was presented to provide Members with an update of learning and development activity undertaken since the last meeting held on 3<sup>rd</sup> September 2018.

RESOLVED – That Members of the Police and Crime Panel noted the learning and development activity undertaken.

18 USE OF GRANT MONIES TO PAY SPECIAL RESPONSIBILITY ALLOWANCES

**Councillor Khayum declared a personal interest in relation to the following agenda item and took no part in the discussion or voting thereon.**

A report was presented to inform Members that, on 17<sup>th</sup> November 2017 the South Yorkshire Leaders' meeting had received a report suggesting that an independent report into the payment of a Special Responsibility Allowance for the Chair and Vice-Chair of the Police and Crime Panel be commissioned.

This report was prepared by Dr Declan Hall, an expert in the field of Members' Allowances, and the outcome and recommendations submitted to the South Yorkshire Leaders' on 26<sup>th</sup> January 2018. At that meeting the recommendations to pay the Chair of the Panel a sum of £5,350 per annum, and the Vice-Chair a sum of £2,675 per annum (in addition to the basic allowance of £920.00 per annum) was agreed.

The report was referred to each District Council's Independent Remuneration Panel (IRP) for consideration.

Members noted that Doncaster and Rotherham's IRPs agreed to pay the SRAs, with Barnsley looking to do the same nearer to the time of taking the Vice-Chair in 2021. However, Sheffield (through the Leader of the Council) asked the Joint Authorities Governance Unit to explore with the Home Office whether the Grant to the Police and Crime Panel could be utilised to pay SRAs. This matter was referred to the Home Office on the 25<sup>th</sup> July 2018. A response was received on 19<sup>th</sup> September 2018 giving permission for Panels (not just South Yorkshire) to pay allowances and SRAs from the Grant where affordable.

RESOLVED – That Members of the Police and Crime Panel:-

- i) Agreed to utilise the Grant monies allocated to the Police and Crime Panel to pay a Special Responsibility Allowance (SRA) to the Chair and Vice-Chair.
- ii) Agreed to backdate the SRA to 1<sup>st</sup> April 2018 in line with Dr Declan Hall's Independent report.

19 RULES OF PROCEDURE - SUGGESTED REVISIONS

A report of the Panel's Solicitor / Legal Adviser was submitted informing Members that the Rules of Procedure are kept under review and were last updated (and approved by the Panel) on 3<sup>rd</sup> September 2018.

The report recommended one amendment to the Rules of Procedure as detailed below:

- 1. A change of wording to Section 11 (11.1) in respect of questions from Members of the Panel to the Commissioner.

Members were reminded that, this followed on from discussion at the September Panel meeting, and further advice being sought from the Host Authority's Monitoring Officer.

RESOLVED – That Members of the Police and Crime Panel:-

- i) Noted the report.
- ii) Approved the amendments to the Panel's Rules of Procedure (as detailed in paragraph 11 of the report) with immediate effect.

20 WORK PROGRAMME / PAB DATES & ROTA

Members considered the 2019 Work Programme and were reminded that they could submit issues for the Work Programme that fall within the Panel's statutory role in supporting and / or holding the Commissioner to account.

All issues would be given full consideration by the Chair, Vice-Chair and Commissioner at the pre-agenda planning meetings.

Additionally, Members were encouraged to attend meetings of the Commissioner's Public Accountability Board (PAB) to increase their operational knowledge.

RESOLVED – That Members of the Police and Crime Panel noted the contents of the 2019 Work Programme.

21 PCC'S RISK MANAGEMENT ARRANGEMENTS

A report of the Police and Crime Commissioner was presented to provide Members with information on the PCC's risk management arrangements.

RESOLVED – That the Police and Crime Panel:-

- i) Noted the contents of the report; and
- ii) Agreed that sufficient controls are in place to manage and maintain the likelihood of potential strategic risks.

22 DATE AND TIME OF THE NEXT MEETING

RESOLVED – That the next meeting of the Panel be held on Monday 4<sup>th</sup> February 2019, 1:00 pm in Meeting Room 14, Town Hall, Church Street, Barnsley.

A Budget Familiarisation Session for Panel Members will be held on Tuesday 29<sup>th</sup> January 2019, 9:30 am – 11:30 am in Meeting Room 2, Town Hall, Church Street, Barnsley.

CHAIR



# TEAM DONCASTER STRATEGIC PARTNERSHIP

27th November 2018

**Present:** Mayor Ros Jones (Chair); Cllr Rachael Blake; Dan Fell, Doncaster Chamber; Cllr Nuala Fennelly; Steve Helps, South Yorkshire Fire & Rescue Service; Jo Miller, Doncaster Council; Paul Moffat, Doncaster Children's Services Trust; Shaun Morley, South Yorkshire Police; Jackie Pederson, Doncaster Clinical Commissioning Group; Kathryn Singh, Rotherham, Doncaster and South Humber NHS Foundation Trust; Paul Tanney, St Leger Homes; and Sharon Thorpe, Dept for Work and Pensions

**Also in attendance from Doncaster Council:** Lee Tillman and Allan Wiltshire. Chris Marsh (for Doncaster Growing Together – Taking DGT Local) and Saul Farrell (for Update on Education and Skills Commissioners Re-Visit) Dom Jeffrey, National Management Trainee (Observer)

## **Draft Winter Homelessness Plan and Town Centre Joint Action Plan**

Partners were advised of a recent Trax FM article that reflected upon how well partners have worked together to tackle issues in the town centre. Activity ongoing in the town centre has included pop up facilities, provided as part of the Severe Winter Emergency Plan, which resulted in a reduction in the numbers of homeless people.

### **1. Doncaster Growing Together (DGT) Update**

Partners received a presentation providing an update on DGT programmes and a snapshot of progress, including Social Mobility Opportunity Area; and Education Inclusion (Learning Theme); Inclusive Growth Strategy (Working Theme); Complex Lives/Town Centre; Homes for All; Get Doncaster Moving; and Arts, Creativity and Culture (Living Theme) including the importance of arts and culture events such as the successful Museum of the Moon event that had attracted 16,000 attendees; and Doncaster Place Plan (Caring Theme). Partners considered the Post 16 Education Review in the context of, amongst other things, the development of the University Technical College (UTC) and other proposed post 16 provision; our aspirations for inclusive economic growth; and health engagement with Hallcross Academy. An update on the Post 16 Education Review will be presented at a future meeting. It was reported that overall the direction of travel on DGT programmes is positive.

#### **i. Taking DGT Local**

The intention of Taking DGT Local is to eventually land an array of activity affecting people in communities, at a local level, that is coherent and deliberately joined up. Some incredible reforms are underway in light of real challenges in terms of the delivery of main stream services, particularly in relation to the lack of funding; and reliance on good will to co-design at a local level. Stakeholder engagement has been carried out and risk assessment sessions undertaken. The next stage will be to prototype in the localities, identified at the meeting including the urban core (where Complex Lives is in operation and the infrastructure and teams are in place), and in the New Year building upon what is already happening with a focus upon demand management for children's social services.

#### **ii. Housing Needs Study**

An update was presented at the meeting on the purpose of the housing needs study, some key contextual headlines and the potential next steps. The Housing Needs Study (HNS) is a means of collecting general or specific housing-related need intelligence from a broad section of the Doncaster population to provide:

- a) A greater understanding of the current and future households in Doncaster, together with the current and future housing preferences and requirements at borough, ward and settlement levels; and
- b) Information on the issues and limitations that their current households have or that the market has.

So that our response to housing need either directly (through our own developments or service provision), or indirectly through our facilitation, support and control of the private sector, can be targeted at and where it is most needed across the borough.

#### **iii. Team Doncaster Partnership Structure Review**

An update Team Doncaster on the purpose and progress of the Team Doncaster Partnership Structure Review and the potential next steps was presented at the meeting. Partners discussed the importance of making connections: together with proposals to develop a leadership programme to bring together leaders from across the borough to build opportunities for a formal networking space; to develop relationships and assist the flow of activity.

Particular consideration was given to the Doncaster Growing Together programme tests: if they were delivering for Doncaster. Are they urgent; transformational; or requiring a Team Doncaster approach?

## **2. One Doncaster Review 2018**

The Independent Commission for Education & Skills in Doncaster took place in 2016. This resulted in the *One Doncaster* Report that made 30 recommendations for change. These were reviewed in the *One Doncaster Review* with stakeholders from across Team Doncaster participating in the re-visit of the Independent Commissioners on the 3rd and 4th October 2018. There were three core messages arising from the One Doncaster Review 2018:

- a) The scale of progress made on the 30 '*One Doncaster*' Report recommendations has been substantial;
- b) Doncaster is in a 'virtuous circle' of education and skills improvement; and
- c) There is a culture which supports positive transformation but there should be a renewed focus on broadening and strengthening partnerships across Team Doncaster.

Positive messages included consistent and distributed leadership across the wider Team Doncaster partnership; the quality of Early Years provision; evidence of outstanding practice in primary learning; and the contribution of the Partners in Learning (PiL) Research School to the development of 'best practice' in our primary schools.

Further areas of improvement, progress and achievement included KS2 attainment; improved attainment at A level; the strong partnership between learning and business, mediated by the Doncaster Chamber of Commerce; and the University City project. It has been recommended that there will be an 'end of programme' impact report published on all thirty recommendations in 2020-21.

The *One Doncaster* process has been nominated for an IU Award for Global Educational Change and is one of only 20 global examples selected.

## **3. Team Doncaster Partnership Summit 2019**

Partners considered an approach to the 2019 Team Doncaster Partnership Summit that may include an innovative approach to the launch of the DGT Impact Report; ensuring it has a clear purpose – to generate ideas; share information; or celebrate achievements; encouraging networking; providing opportunities for community leaders to be connected at a grass roots level; and identifying our strengths in terms how we contribute to all four areas of DGT to make a difference.

## **4. Devolution Update**

Consideration was given to the economic rationale for working at One Yorkshire level; the importance of 'brand Yorkshire'; the context of the post-Brexit landscape; and how devolution would work in practice shaping the governance model for the three levels of a single combined authority for Yorkshire. Partners discussed the need to maintain the profile of devolution, in terms of the national focus, which was currently upon housing post-Grenfell and interruptions created by Brexit negotiations.

## **5. Doncaster Council – Delivering for Doncaster Booklet (2018-19 Q2 Performance Update)**

The Delivering for Doncaster Booklet setting out the Council's performance information for Q2 2018-19 was presented for information. Partners were invited to share their performance information via the Team Doncaster website.

## **6. Key Partnership Events – Update**

Details of key partnership events will be circulated to partners for information; and in future the Team Doncaster Communications Group will be asked to co-ordinate and disseminate this information.