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Doncaster Council

Agenda

To all Members of the

CABINET

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

Venue: Council Chamber, Civic Office, Waterdale, Doncaster DN1 3BU, Waterdale, Doncaster, DN1 3BU

Date: Wednesday, 16th February, 2022

Time: **10.00 am**

Please Note: For those who are attending the meeting, please bring a face covering, unless you are exempt (face coverings can be removed once seated in the Chamber).

BROADCASTING NOTICE

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Damian Allen
Chief Executive

Issued on: Tuesday, 8 February 2022

Governance Services Officer for this meeting: Andrea Hedges
Tel. 01302 736716

Doncaster Metropolitan Borough Council

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. Public Questions and Statements

   (A period not exceeding 20 minutes for questions and statements from members of the public and Elected Members to the Mayor of Doncaster, Ros Jones. Questions/Statements should relate specifically to an item of business on the agenda and be limited to a maximum of 100 words. As stated within Executive Procedure Rule 3.3 each person will be allowed to submit one question/statement per meeting. A question may only be asked if notice has been given by delivering it in writing or by e-mail to the Governance Team no later than 5.00 p.m. of the third working day before the day of the meeting. Each question or statement must give the name and address of the person submitting it. Questions/Statements should be sent to the Governance Team, Floor 2, Civic Office, Waterdale, Doncaster, DN1 3BU, or by email to Democratic.Services@doncaster.gov.uk)

4. Declarations of Interest, if any.

5. Decision Record Forms from the meeting held on 2nd February, 2022 for noting (previously circulated)

A. Reports where the public and press may not be excluded

<u>Key Decisions</u>

6.	Corporate Plan 2022/23	1 - 20
7.	Revenue Budget 2022/23 – 2024/25.	21 - 90
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11.	New Discretionary Business Rates Relief - Extension of Transitional Relief and Supporting Small Business Relief for Small and Medium Properties.	193 - 208
12.	New Discretionary Business Rate Relief - Retail, Hospitality and Leisure Relief Scheme 2022/23	209 - 226

Cabinet Members

Cabinet Responsibility For:

Chair – Ros Jones, Mayor of Doncaster	Budget and Policy Framework
Vice-Chair – Deputy Mayor Councillor Glyn Jones	Housing and Business
Councillor Lani-Mae Ball	Portfolio Holder for Education, Skills and Young People
Councillor Nigel Ball	Portfolio Holder for Public Health, Leisure, Culture and Planning
Councillor Joe Blackham	Portfolio Holder for Highways, Infrastructure and Enforcement
Councillor Rachael Blake	Portfolio Holder for Children's Social Care, Communities and Equalities
Councillor Phil Cole	Portfolio Holder for Finance and Trading Services
Councillor Mark Houlbrook	Portfolio Holder for Sustainability and Waste
Councillor Jane Nightingale	Portfolio Holder for Corporate Resources
Councillor Andrea Robinson	Portfolio Holder for Adult Social Care

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Doncaster Council

Report

Date: 16.02.22

To the Chair and members of Cabinet

CORPORATE PLAN 2022-23

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

EXECUTIVE SUMMARY

1. This report presents a revised Corporate Plan for 2022-23. The Plan details how we will contribute to the Great 8 priorities in the Doncaster Delivering Together (DDT) Borough Strategy, ensure we deliver quality services and continue to develop as an organisation. It summarises:
    - The DDT Wellbeing Goals and Great 8 priorities
    - The actions the Council will take during 2022-23 to contribute to the Great 8 priorities
    - The key changes needed for the organisation to become a Regenerative Council, able to respond to the challenges and opportunities of the future.

2. DDT emphasises the need to improve wellbeing and builds on the success of our previous Borough Strategy. The six Wellbeing Goals are the long-term 'beacons in the distance' we will work towards. The Wellbeing Goals interconnect and together the Goals contribute to one overall Mission: Thriving People, Places and Planet. The Great 8 priorities will drive our work, over the next ten years, to meet the Wellbeing Goals.

3. Following the summary of the DDT Wellbeing Goals, each of the Great 8 Priorities has a specific page detailing the Directorate priorities that will contribute to them over the next year. These are followed by a 'Regenerative Council' section that describes the key changes needed within the organisation.

4. The Corporate Plan forms part of the Budgetary and Policy Framework, and must be approved by Full Council.

5. A robust Performance Management Framework (PMF) will ensure that all the key components are in place across the organisation, ensuring both good governance and successful delivery of our key priorities.

EXEMPT REPORT

6. This report is not exempt.

RECOMMENDATIONS

7. It is recommended that Cabinet considers the Corporate Plan for 2022-23 and agrees that it should be submitted to Full Council for formal approval.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. The Corporate Plan is the Council's key strategic document for directing its work towards ensuring Doncaster and its people thrive.

BACKGROUND

9. The Corporate Plan forms the 'Plan' phase of the 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	

10. The Council and our Team Doncaster partners have committed to a decade of delivery for residents, communities and businesses, guided by the new Borough Strategy, Doncaster Delivering Together (DDT). This provides us with a sense of ambition and hope beyond COVID, but is shaped by its legacy.

11. Adding to the sense of a major watershed, is the objective of becoming a regenerative council and borough, to deliver multiple wellbeing goals whilst tackling the climate change emergency and reducing inequalities. This Corporate Plan details the Council's response to these issues during 2022-23.

12. We have been in response mode since the November 2019 floods. Whilst grappling with the challenges of Brexit and recovering from the devastating impact of the floods, the COVID pandemic created an unprecedented health and economic crisis. Wildfires in 2020 created another immediate partnership priority. Throughout, there has been a constant focus on building the resilience to respond to both crises and the impact on our residents of longer-term changes to the economy.

13. We rapidly developed new approaches and have continued to make

improvements to the quality of our place. The Council had to change from traditional, mostly on-site or office based with some home working, to mostly home based and reliant on the use of technology. It has also changed many of the ways we do things on a daily basis such as interaction with each other, communication with those we serve, how we operate internally and the delivery of services via alternative means. We now work even more closely with our partners and communities, to meet the needs of communities.

UPDATED CORPORATE PLAN 2022-23

14. The Corporate Plan is introduced by the Mayor and Chief Executive, and is followed by a summary of the DDT Wellbeing Goals and Great 8 priorities. The following sections outline
    - The Council's roles and responsibilities as a community leader, service provider and employer, regarding fairness and inclusion
    - Doncaster's Local Solutions approach to addressing need and vulnerability, at a local community level

15. Each of the Great 8 priorities has a specific section detailing the things we need to do well and the Directorate priorities that will contribute to them over the next year. These are followed by a 'Regenerative Council' section that describes the key changes needed within the organisation for it to be able to respond to the challenges and opportunities of the future.

17. The Corporate Plan forms part of the Budgetary and Policy Framework, and is scheduled for approval by Full Council on 28.02.22.

REVISING THE PERFORMANCE MANAGEMENT FRAMEWORK

18. The PMF is the mechanism by which the Council will manage, monitor and govern key activities that contribute to the successful delivery of the Corporate Plan. It will ensure that as a Council we are 'getting the basics right' and identify potential risks to future proof for successful delivery of our plan and achievement of target levels.

19. The PMF brings together six key standalone elements of governance under one umbrella: Managing Performance; Reporting Profile; Service Planning; Risk Management; Data Quality; and, Equality, Diversity & Inclusion (EDI).

20. The PMF as a whole was last refreshed in 2019, but a light review was carried out in 2020 to ensure it remained fit for purpose during the challenging times of the pandemic.

21. It is recognised that there is some inconsistency in the performance focus and accountability within Directorates, and some clarity in reporting against priorities is required. Some of these issues can be attributed to our changing priorities in response to the pandemic.

22. These challenges will be addressed, as summarised below
    - Performance Management: no changes required
    - Performance Reporting Profile: will reflect the changes to the quarterly

reporting process and the changes in the format of Directors meetings. Also the change from reporting programmes and projects through DGT to reporting to relevant boards
- Service Planning: adopt a similar process to the last year
- Risk Management: review process in line with revised legislation
- Data Quality: no changes as recently reviewed just a few minor tweaks
- EDI**:** develop an interactive approach to due regard and include a visible reporting element.

OPTIONS CONSIDERED

23. The options considered for the Corporate Plan 2022-23: were to
    a) Develop a Corporate Plan aligned to Doncaster's new Borough Strategy, Doncaster Delivering Together
    b) Continue with the format of the existing Corporate Plan

REASONS FOR RECOMMENDED OPTION

24. Option 'a' is the recommended option as this provides a Corporate Plan that details how we will contribute to the Great 8 priorities in the Doncaster Delivering Together (DDT) Borough Strategy, ensure we deliver quality services and continue to develop as an organisation.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

25.

Outcomes	Implications
Doncaster Working: 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; • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment	This Corporate Plan details how we will contribute to the Great 8 priorities in the DDT Borough Strategy, including • Making Doncaster the best place to do business & create good jobs • Building transport & digital connections fit for the future
Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster clean	This Corporate Plan details how we will contribute to the Great 8 priorities in the DDT Borough Strategy, including • Tackling climate change • Creating safer, stronger, greener & cleaner communities where everyone belongs • Promoting the borough & its cultural, sporting &

• Building on our cultural, artistic & sporting heritage	heritage opportunities
Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work	This Corporate Plan details how we will contribute to the Great 8 priorities in the DDT Borough Strategy, including • Developing the skills to thrive in life & work
Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes	This Corporate Plan details how we will contribute to the Great 8 priorities in the DDT Borough Strategy, including • Building opportunities for healthier, happier & longer lives for all • Nurturing a child & family-friendly borough
Connected Council: • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	This Corporate Plan details how we will contribute to the Great 8 priorities in the DDT Borough Strategy, including our internal, Regenerative Council theme

RISKS AND ASSUMPTIONS

26. The Corporate Plan details our contribution to DDT, our new Borough Strategy. It assumes that the Council is an equal partner within Team Doncaster and that the other organisations will deliver their contributions to the Great 8 priorities and Wellbeing Goals.

27. There is a risk that the response to the ongoing pandemic may result in the redirection of resources, including staff time and energy, away from delivery of other priorities in the Corporate Plan.

LEGAL IMPLICATIONS [SF 20.12.21]

28. Whilst there are no specific legal implications arising out of the report, the programmes of activity which will deliver the Corporate Plan 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 be approved by Full Council.

FINANCIAL IMPLICATIONS [MS 31.01.22]

29. The financial implications of the priorities and actions in the Corporate Plan are contained within the Revenue, Capital and Housing Revenue Account 2022/23 budget reports that will be considered by Council on 28.02.22. As specific actions and programmes of activity are developed further, more specific financial implications will be provided in relevant reports.

HUMAN RESOURCES IMPLICATIONS [SH 20.12.21]

30. 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 [PW 20.12.21]

31. Technology is an essential enabler to support the delivery of all services together with the wellbeing goals and actions the Council will take over the next year to contribute to the Great 8 priorities as 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. New technology requirements to support the key priorities will 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 [CT 20.12.21]

32. Health and inequalities in the pattern of health are caused by a range of 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

33. Local authorities can play a significant part in creating healthy communities and addressing unequal patterns of poor health and wellbeing. The Corporate Plan plays a key role in setting the conditions to improve health and wellbeing and reduce inequality. The Corporate Plan and service priorities for 2021/22 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 improving health and wellbeing and assures that inequalities in the wider determinants of health and patterns of ill health are not increased. On-going observation 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 will provide on-going support and advice in this area.

EQUALITY IMPLICATIONS [SW 09.12.21]

34. In line with the corporate approach to compliance against the Equality Act 2010, 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 includes Equality, Diversity and Inclusion objectives, which form part of the Council's quarterly monitoring process.

CONSULTATION

35. Consultation that has taken place on the updated Corporate Plan document is summarised below:

• Directorate Leadership Teams	November 2021
• Executive Leadership Team	04.01.22
• Executive Board	19.01.22
• Informal OSMC	27.01.22
• Formal OSMC	10.02.22

36. The Plan will then be submitted for approval to Full Council on 28.02.22.

BACKGROUND PAPERS

37. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

DDT - Doncaster Delivering Together
OSMC - Overview & Scrutiny Management Committee

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Doncaster Council

Corporate Plan 2022-2023

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Mayor Ros Jones & Damian Allen

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Wellbeing Goals & Outcomes

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Resources

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Key Priorities for 2022-23

The Great 8
1. Tackling climate change
2. Developing the skills to thrive in life & work
3. Making Doncaster the best place to do business & create good jobs
4. Building opportunities for healthier, happier & longer lives for all
5. Creating safer, stronger, greener & cleaner communities where everyone belongs
6. Nurturing a child & family-friendly borough
7. Building transport & digital connections fit for the future
8. Promoting the borough & its cultural, sporting & heritage opportunities

Regenerative Council

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Monitoring Our Progress

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Mayor Ros Jones

Damian Allen
Chief Executive

Foreword

The Council and our Team Doncaster partners have committed to a decade of delivery for residents, communities and businesses, guided by a new Borough Strategy, Doncaster Delivering Together (DDT). This provides us with a sense of ambition and hope beyond COVID, but is shaped by its legacy. Let's ensure this is a lasting legacy that supports one central mission: **Thriving People, Places and Planet.**

The pandemic has placed unprecedented stress on council services and resources. It has **worsened inequalities** in society, for example for vulnerable people with underlying **mental and physical health** conditions and other risk factors. Now, more than ever, all of our efforts need to be underpinned by a vigorous, relentless approach to equalities and **tackling deprivation** to create a **fair and inclusive borough**.

We have incurred additional costs and lost income, and although additional funding from the Government has helped, the future financial position remains uncertain. Despite this, the Council has still set a **three-year balanced budget** whilst maintaining investment in the borough and protecting our most vulnerable residents.

We have ensured Doncaster benefits from the Government's **'levelling up' agenda**, building on successes like the Towns Deals, Levelling Up Funding and Community Renewal Funding which have brought in £64m of additional investment. Wherever funding opportunities present themselves, we are using these to support community based initiatives, support those that need it the most and a strong, and effective, voluntary sector.

Adding to the sense of a major watershed created by the pandemic is the objective of becoming a regenerative Council and borough, delivering multiple wellbeing goals whilst tackling the climate change emergency and reducing inequalities. This Corporate Plan details the Council's response to these issues during 2022-23 and helps deliver the new Borough Strategy, Doncaster Delivering Together.

The pandemic has highlighted the best of Doncaster. We have seen compassion, community spirit, innovation and resourcefulness in abundance.

We continued the rollout of Test, Track and Trace programmes and are supporting NHS mass local vaccinations. We have helped residents get back to work and supported businesses to survive the pandemic. We saw sharp rises in the claimant count and sectors reliant on face-to-face interactions, like hospitality and leisure, were badly affected by the loss of trade. Most businesses have experienced reduced demand and supply chain disruption. At the same time, we have continued to deliver essential services to support our communities, our businesses and our more vulnerable residents. We know that demand and access to primary care, and other public services, really matters to our residents.

We have rapidly developed new approaches and continued to make improvements to the quality of our place. New homes have been built across the borough, including new affordable homes. Major projects have come to fruition, for example, the opening of the University Technical College, the Savoy Cinema and new Danum Gallery, Library and Museum. Our Local Plan has been adopted and a range of external funding has been awarded.

We have stepped up Doncaster's response to the **climate change and biodiversity** crisis to create a sustainable borough that is a beacon for decarbonisation, green jobs and greenspace.

Alongside this, we will continue to seize every opportunity to create a more prosperous, skilled, creative, healthy and resilient borough. We have learned from the COVID lockdowns that there are choices in how we organise and balance work, education and home life, and how we design buildings and urban spaces.

We are extremely proud of how we have all worked together with our colleagues, our partners and the community. We continue to adapt and embrace new ways of working in difficult circumstances, and against tough financial constraints.

The Council also had to change some traditional, mostly on-site or office based service delivery to home/remote based working, relying on the use of technology and a more agile and flexible workforce. It has also changed many of the ways we do things on a daily basis including our frontline services, such as interaction with each other, communication and engagement with those we serve, how we operate internally and the delivery of services via alternative means. We now work even more closely with our partners and communities, to meet the needs of communities' at the most local level. We will continue to develop this locality working, applying it to decisions on where investment and interventions in communities take place.

Our focus needs to be local. Doncaster is a diverse **'place of places'** and we must respond to the distinctive needs, aspirations and character of our communities as reflected within **'Doncaster Talks'** feedback. It will take all of us working together within communities, revitalising civic engagement and building on **local assets and strengths** to improve wellbeing. We are enhancing our **intelligence-led approach** to enable targeting of resources to where they are most needed and working across the **whole-system** to tackle interconnected challenges and support people before they tip into crisis.

This Corporate Plan details how we will contribute to the Great 8 priorities in the DDT Borough Strategy to ensure we deliver quality services and continue to develop as an organisation.

Section 1: Wellbeing Goals & Outcomes

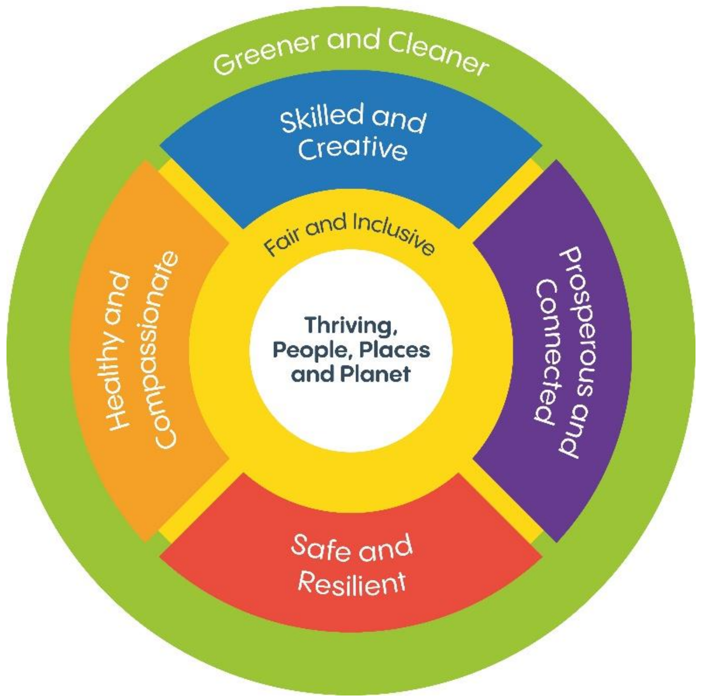
Launched in September 2021, Doncaster Delivering Together (DDT)[1] is our new 10 year Borough Strategy.

Doncaster and the world around us are changing in many different ways and it is time to rethink what it means for Doncaster's residents and communities to live well together now and in the future. We need a clear set of goals to aim for.

Doncaster Delivering Together is about **Thriving People, Places & Planet**. It emphasises the need to improve wellbeing and builds on the success of our previous Borough Strategy.

The Wellbeing Wheel shows Doncaster's six **Wellbeing Goals**. These are the long-term 'beacons in the distance' we will work towards.

The Wellbeing Goals interconnect - for example, reducing unemployment must go hand-in-hand with plans to improve health outcomes, skills and transport connections. Together the Goals contribute to one overall Mission: Thriving People, Places and Planet.



All residents, communities and organisations working together to protect and enhance the local and global environment to improve wellbeing. Work towards achieving this includes:

- Plant 1 million trees
- Improve air quality
- Have more places to enjoy nature and recreation
- Have cleaner neighbourhoods and less fly-tipping
- Reducing carbon emissions across the borough

Fair & Inclusive
A borough with reduced inequalities and improved access to social and economic opportunities for all. This includes working on:

- Reducing poverty
- Providing more support to our most deprived communities
- More local social opportunities and places to meet
- Providing residents with a greater voice to shape their community

Prosperous & Connected
A stronger, greener and fairer economy that provides good, well-paid jobs and is supported by improved transport and active travel infrastructure and access to good broadband. Examples of this include:

- More quality jobs and residents in work
- Better public transport connections
- Vibrant town centres
- More thriving local business

Safe & Resilient
Residents feel safe and communities are more resilient to challenges and emergencies. Overall community resilience can be improved by:

- Investing in more affordable homes
- Reduction of crime and anti-social behaviour
- More local services providing support closer to communities
- Strengthened voluntary sector

Healthy & Compassionate
A compassionate borough where collectively everyone is supported to add life to years and years to life. Health impacts on many aspects of life and addressing health inequalities is a priority for our Integrated Care System. Improving this includes working on:

- More opportunities for walking and cycling
- More support for physical and mental health
- Pushing for a new hospital

Skilled & Creative
Residents have improved skills and a creative culture supports wellbeing, business success and solutions to the borough's challenges. This can be achieved by:

- Improving education attainment across all key stages
- Providing more options to gain the skills needed for good jobs
- Providing more work-based learning opportunities
- More opportunities to enjoy arts and culture

To meet the Goals in the Wellbeing Wheel we need to build on Doncaster's strengths and achievements, and identify new opportunities to tackle the things that get in the way of improved wellbeing. We need clear actions to recover from COVID, reduce inequalities and create a better borough.

The Team Doncaster partnership listened to the views of residents, businesses, community groups and organisations and agreed the **'Great 8' priorities**. Delivering these priorities will require working closely with communities on local solutions – we need to use all the skills, ideas, resources and passion Doncaster has to offer. Government and regional support is also required and we will need to work with a variety of partners outside of Doncaster on the shared actions that will make the biggest difference.

1. Tackling climate change
2. Developing the skills to thrive in life & work
3. Making Doncaster the best place to do business & create good jobs
4. Building opportunities for healthier, happier & longer lives for all
5. Creating safer, stronger, greener & cleaner communities where
6. Nurturing a child & family-friendly borough everyone belongs
7. Building transport & digital connections fit for the future
8. Promoting the borough & its cultural, sporting & heritage opportunities

A Regenerative Council

[1] https://www.teamdoncaster.org.uk/doncaster-delivering-together

This Corporate Plan details the Council's contribution to the 'Great 8' priorities during 2022-23, plus an internal 'Regenerative Council' priority.

Delivery of these priorities requires innovation, new perspectives and different ways of working. The diagram below illustrates the key approaches that guide how we are making long-term improvements to wellbeing.

New ways of doing things to improve wellbeing
- Supporting innovation and behaviour change - to move from 'business as usual' to new approaches to improving wellbeing
- Using the 'Three Horizons' model to develop a vision and consider the innovation required to achieve it

Regenerative development
- Pushing beyond sustainability (i.e. 'doing no harm') to regenerative development that renews and improves, including our biodiversity and waterways. Moving from a linear 'take-make-dispose' economic system to a circular one that keeps finite resources in a loop of use and reuse

- 'One catchment' approach - joint working across boundaries, e.g. to consider whole river systems and flood risks

Working closer with communities
- Place-based collaborative working to improve wellbeing
- Asset-based community development as part of localities working, building on distinctive local strengths and opportunities

Shared responsibilities - locally and regionally
- Residents, businesses and organisations all contributing to improvements in wellbeing
- A leading role for Team Doncaster's anchor institutions
- Working with regional partners, including those in the South Yorkshire Mayoral Combined Authority, to deliver shared priorities

Intelligence led interventions
- Using data to understand the causes of differing outcomes between population groups or communities
- Combining local data and insights to target services and interventions where they are needed most
- Using data to measure the impact of interventions
- Broadening access to information, knowledge and emerging technologies

Whole life, whole system integration
- Considering all life stages and the transitions between them - starting well, living well and ageing well
- Integrating whole systems, and considering the relationships and trade-offs between different options and actions
- Early intervention and prevention - identifying and addressing concerns, risks and opportunities early

Section 2: Fairness & Inclusion

Most people in Doncaster want to live in a community where they know their neighbour, feel safe and have the opportunities to achieve their potential, regardless of their background, their circumstances, or where they live.

As a Council, we have roles and responsibilities as:

Community Leaders - We have an important role in securing economic prosperity, achieving the right outcomes for all, empowering communities and creating sustainable and cohesive communities. We will:

- Demonstrate visible leadership and accountability at all levels
- Build good relationships with and between different communities so everyone can participate, contribute and achieve.
- Achieve measurable increases in the extent to which those facing inequality and exclusion can contribute and share in Doncaster's success,

Service providers – We have an important role in ensuring services are customer-focused, inclusive, accessible and meet individual needs irrespective of how services are delivered. We will:

- Develop, commission and deliver inclusive and responsive services which actively address disadvantages and enable people to achieve and succeed
- Actively listen and empower our clients, customers and communities, enabling them to take ownership of decisions that affect them
- Address gaps in knowledge or evidence

Employers - We have a responsibility to meet the diverse needs of our employees and to ensure they create the right culture by promoting equality, diversity and inclusion. We will:

- Strive to be an inclusive employer, creating a culture where diversity is valued and celebrated
- Ensure staff have a good understanding of Equality Diversity and Inclusion (EDI) and are equipped to design and deliver inclusive services.
- Embed EDI to build a positive reputation internally and externally, through policies and practices

Our **Equality, Diversity and Inclusion Framework** sets out in one place our EDI objectives, arrangements and commitment for embedding equality, diversity and inclusion into everything we do. This links directly to the strategic ambitions set out in the Borough Strategy and Corporate Plan. It focuses on the following key objectives for 2022-26:

- Support older adults to remain independent in their own homes
- People no longer experience domestic abuse
- Improve engagement with our most deprived communities to increase access to jobs and skills
- Improve the mental health of our children and young people

Section 3: Local Solutions for People, Places & Planet

Our Localities

Doncaster Council is the largest Metropolitan Borough in England. Our large geography and diverse issues mean it is not appropriate to try to solve everything at Borough level.

Like all Councils we are founded on local democracy, with two or three Councillors elected for every one of our 21 Electoral Wards, with 55 members in total. Each Ward has its own unique challenges and opportunities.

Doncaster's Localities are comprised of groupings of wards in the North, South, East and Central parts of our Borough. They are a helpful compromise, small enough to be more attuned to local issues than a Council-wide focus would allow, but big enough so that issues and opportunities can be dealt with more effectively.

Our localities also line up with similar geographies used by our partners, for example, Primary Care Networks covering GP Practices and neighbourhood support from South Yorkshire Police.

A more local way of working

The Council is acting alongside our Team Doncaster partners to bring our work closer to the communities we are here to serve. By getting alongside local people, families, businesses and organisations, and through more strongly coordinating the work that different teams and partners do, we'll be in a better position to help enable the local solutions that Doncaster people need to live life on their terms.

We talk about Local Solutions for People, Places and Planet because this way of working will have implications for all of us, whether we see ourselves providing tailored support for individual people or place-based services for Doncaster's towns and villages. Although we know that protecting the environment cannot be achieved without national and global action, it is also essential that we work with our communities on local solutions to preserve our planet for future generations of Doncaster people.

There are **four key strands of work** that come together and guide our approach to the work:

- We need to work in all of Doncaster's communities to better understand local priorities and to build on the strengths that already exist, in each and every person, and in each and every place. It requires all of us, whatever our job, to be able to think locally and act personally, using an 'Appreciative Inquiry' approach to ensure a constructive way forward.
- Where people, families or communities have significant needs we need to use a Local Solutions approach to bring teams and services together to provide access to necessary support in a joined-up way.
- We need to help attract investment into local communities and also ensure existing investment and strategies are properly joined up. In particular, we need to address inequalities so no Doncaster people, families or communities are left behind.
- We need to pull the above work together into deals for our communities that draw on local strengths, properly coordinate local services and harness investment to best effect.

This will mean we have to start supporting our staff and Team Doncaster partners differently, for example providing them with data that gives local insights and giving them opportunities to develop working practices alongside one another, rather than in separate silos.

So What Next?

In 2022 we are taking a number of steps forward to support Local Solutions for People, Places and Planet in Doncaster.

- We're publishing Locality Plans for each of our four localities. These have been produced alongside local people and tie together existing plans and strategies with the things they have said should be prioritised.
- We're asking existing Directors and Assistant Directors to take lead responsibilities for bringing local people, staff and partners in localities together to drive a more local way of working. We're also appointing Locality Leads to help make strong connections between everything that goes on.
- We're tying more and more of our work into this approach, whether we're supporting younger people, or adults, or community safety, or local businesses, or cleanliness, or environmental change.
- We'll refresh and update our Locality Plans every year so that we're more and more driven by our communities, the pride local people have, the problems they want to solve and the strengths they are able to harness alongside us.

Section 4: Resources

The Council continues to face the significant challenge of setting a balanced budget with reducing funding, strong demand, increasing costs and no reduction in our statutory obligations to provide services. We are working hard to bridge the gap; with our support for Doncaster people, communities and businesses remaining at the forefront of all decision-making.

We have a clear plan to manage our resources in 2022/23 and a robust and balanced gross revenue budget is expected to be in place.

The Medium Term Financial Strategy (MTFS) is our three-year financial plan, which sets out the Council's commitment to providing value for money services to deliver our mission for Thriving People, Places and Planet, within the overall resources available to it. The MTFS shows how our Council's finances will be structured and managed to ensure that this fits with, and supports, the delivery of our Wellbeing Goals and the Great 8 priorities.

The council is estimating a funding gap of around £13.1 million for 2022/23 and £21.74 million over the next three financial years. Doncaster also has 28% less to spend on services than it did in 2010/11 which represents a £335 reduction per resident. Nationally, this reduction is 21%.

The main financial pressures are in Adult Social Care and Children's Social Care, consistent with national trends, with some of the additional pressures relating to the pandemic.

We are not alone, councils up and down the country are in a similar position. We continue to face uncertainties in our funding, and are also seeing volatility in our costs and the income we generate, worsened by the pandemic. In addition, the recently published 'People at the Heart of Care' adult social care reform white paper generates further risks and uncertainties.

We have continuously strived to achieve a balanced budget and through prudently managed finances and careful planning, we have done this well. We are managing financial pressures utilising underspends and specific COVID funding that we have received. However, we are seeing our pressures increase due to various factors, which are expected to have an ongoing impact on the Council's baseline position.

As well as funding high quality services for residents, we will continue to invest in the future of the borough with an overall package of £389.6m of investment up to 2025/26, to stimulate growth and prosperity. Residents across Doncaster will benefit from investment in projects to further improve education, skills, 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, and seek to maximise social value. We will consider long-term social, environmental and economic sustainability and resilience.

The Council will continue to protect the most vulnerable across the borough and provide resources to improve life chances. The budget includes £750,000 for additional apprenticeships within the Council, which will target hard to fill roles or where further training and skills development are needed. In addition, we recognise the importance of safe and resilient health and wellbeing services for residents, and will work collaboratively with partners providing these essential services.

We have invested significantly in modern customer interaction and service delivery to meet the changing needs and expectations of our customers. We have an increasingly agile, customer-focused and skilled workforce, have integrated our customer services 'front-desk' and fully embraced the use of digital technology to deliver more services online. However, we know there are still ways in which we can improve across all our services.

The workforce strategy sets out how we will equip our staff with the tools, skills and behaviours to deliver and commission good quality services. This will be underpinned by high standards of distributed leadership and collaborative working, with a refreshed set of values for the organisation. We will continue to support and develop our staff and change the way we work to improve performance and better engage with our residents to meet their needs.

This Corporate Plan details the alignment of our policy, resources and budgetary actions during 2022-23, that will contribute to the Doncaster Delivering Together (DDT) Strategy.

Section 5: Key Priorities for 2022-2023

This Plan details our contribution to the 'Great 8' priorities during 2022-23. An additional 'Regenerative Council' priority details our internal transformational projects and service improvements.

1. Tackling climate change

What we need to do well

- Support more people to recycle and to reduce waste.
- Ensure council trees are properly mapped, managed and protected, and that coverage is increased across the borough
- Protect and enhance green spaces, for example allowing agreed areas to naturalise.
- Understand and monitor council carbon emissions, for example by monitoring energy use in council owned assets
- Take steps to improve energy efficiency of buildings
- Support adaptation measures, for example by increasing urban greenery to provide a cooling effect in heatwaves, or retaining walls for flood defences
- Encourage and educate people about how to tackle climate change

Key priorities that our resources will support in 2022-23

- Continue to implement recommendations from the Climate & Biodiversity Commission and Environment & Sustainability Strategy as appropriate such as
    - Secure and deliver £5.7m investment in housing retrofit for 600 homes via Social Housing Decarbonisation Fund and Gainshare funding
    - Increase the number of electric charging bays in Council owned car parks by 30 and investigate the development of charging hubs for mixed public and private sector use
    - Deliver year 2 of the 1 Million Trees programme, with 100,000 trees planted in partnerships with private landowners and communities
- Develop major programmes to support environmental and sustainability priorities
- Complete the strategic review of public and privately owned land assets, to identify key sites for investment and protection, for example, woodland creation and solar farms
- Biodiversity Net Gain: develop the councils approach to ensuring developments, through the planning system, become more ecologically sustainable. This includes the creation of habitat banks and the development of a net gain tariff backed by supplementary planning guidance

2. Developing the skills to thrive in life & work

What we need to do well

- Support schools and Early Years settings to deliver good or excellent provision.
- Ensure Education, Health and Care plans are issued quickly, effectively and are of high quality.
- Ensure as many children as possible gain entrance to their first choice school placement.
- Work in partnership with educational settings and communities to integrate cultural opportunities into the local offer.
- Support residents to access the skills they need for meaningful work

Key priorities that our resources will support in 2022-23

- To support residents with the impact of COVID, refocus delivery of existing, and add new, employment support programmes. This includes:
    - Employment Hubs and Academies
    - 'Advance' careers and training advice
    - 'Launchpad' support for businesses
    - Communication on Graduate employment opportunities
    - Apprenticeships
- Implement a new Education and Skills life-long learning strategy to improve outcomes for all including:
    - Support and challenge schools to ensure that our most vulnerable learners are well supported in school, particularly at transition points and that they receive the best educational offer to improve outcomes, enabling them to access the best post-16 education and training offers possible.
    - Plan for sustainability and continuation of effective initiatives post Social Mobility Opportunity Area

3. Making Doncaster the best place to do business and create good jobs

What we need to do well

- Encourage and support inclusive business growth, enterprise and investment while targeting key employment sectors.
- Process planning applications efficiently and in a timely way
- Use more of our resources to spend locally

Key priorities that our resources will support in 2022-23

- Update Doncaster's Economic Strategy to ensure it fully reflects Doncaster's ambition for inclusive and regenerative growth
- Deliver major programmes to support greater investment and economic growth in the Borough, such as: Transforming Cities, Town Deals, Levelling Up Funds, City Gateway
- Complete the strategic review of public and privately owned land assets, to identify key sites for economic growth and job creation
- Develop additional major programmes to support greater investment and economic growth in the Borough, such as Enhanced Partnerships, Shared Prosperity Fund, and Gain Share
- Deliver new investment with particular focus on the key employment sites, attracting new businesses and providing a higher level quality of employment
- Support local Doncaster businesses to recover, safeguard existing jobs, grow and create new jobs, improve their carbon footprint, increase local recruitment, local spend and cope with the changing national legislation and guidance
- Contribute to local and regional economic recovery plans including revised town centres recovery plans, and Masterplans in Mexborough, Edlington, Rossington and Thorne. Maximise opportunities, connectivity, transport network resilience, air quality, bus review, electric buses and tram-train extensions
- Develop proposals to support a bid to become the national headquarters for Great British Rail

4. Building opportunities for healthier, happier and longer lives for all

What we need to do well

- Work with communities to improve people's well-being
- Encourage more people to take up NHS health checks
- Respond to need quickly and appropriately, keeping people safe
- 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 number of repeat referrals, specifically for children's care
- Support more residential homes to be rated good or better

Key priorities that our resources will support in 2022-23

- Information and advice: supporting a greater number of Doncaster people to have the information they need, how and when they need it
- Wellbeing and independence: supporting a greater number of Doncaster people to keep safe and well and to live the life they want
- Active and supportive communities: supporting a greater number of Doncaster people to keep family, friends and connections
- When things need to change: supporting a greater number of Doncaster people to stay in control of their lives in times of challenge or difficulty
- Flexible and integrated care and support: supporting a greater number of Doncaster people to receive the support they need in the way they prefer it
- Workforce: enabling our staff and local organisations to work in ways that achieve better wellbeing, information, community connections, support and independence for Doncaster people
- Making it real: increasing opportunities for Doncaster people and communities to hold us to account in delivering what good personalised support looks like from their point of view
- Support the partnership to reduce the impacts of poverty and continue to provide the much required appropriate financial support to eligible low-income families, individuals and businesses to assist them to recover economically
- Create the conditions and inclusive opportunities for good health, including through the Get Doncaster Moving whole system approach, compassionate approaches to weight, active travel and park and leisure facility developments
- Improve population health, reduce health inequalities and challenge the environmental and social structures that create inequalities through strategic commissioning, addressing the wider determinants of health and the creation and further development of key partnerships including with the NHS, businesses, research organisations, social enterprises, VCSE and faith sector
- Enhance and grow the Health and Wellbeing in All Policies approach through working with partners, to maximise the health and wellbeing opportunities in developments and decisions
- Public Health function has the capacity & capability to lead improvement and respond to wider system changes & demands, including health protection, changes in the NHS & funding allocations.

5. Creating safer, stronger, greener & cleaner communities where everyone belongs

What we need to do well

- Provide appropriate support and intervention to ensure residents are safe and looked after
- Regularly clean the streets and roads, removing litter, detritus, fly posting, graffiti and fly-tips
- Maintain and enhance green spaces by cutting grass within agreed areas in a timely manner
- Provide high quality parks and open spaces across the borough
- Ensure all required inspections and enforcement actions are completed within timescales
- Deal with housing hazards, resolving any issues quickly.
- Educate and inform people about how to be safer on our roads
- Educate and inform people about how they can enhance their local environment

Key priorities that our resources will support in 2022-23

- Completion of the Private Sector Housing Stock Condition Survey
- Implement the service review of Street Scene building on progress to date, further maximising resources to improve service resilience and enhance productivity
- Continue to improve the use of data and supporting IT systems to inform service planning, delivery, and management within Environment Services
- Continue with flood mitigation projects i.e. progress onto Phase 2 of Section 19 investigations, feasibility, funding submissions and scheme implementation working with partners across Sheffield City Region. Embed lessons learned to ensure robust response and recovery from flooding emergencies in the future
- Protect the health of Doncaster people through effective health protection and emergency planning arrangements, including COVID control, with a focus on minimising impacts on residents
- Complete 33 new homes as part of the Council House Build Programme, start on site for a further 129 and prepare for future phases.
- Develop a mixed tenure delivery model for Phase 3 of the Council House Build Programme
- Prepare for new Building Safety Act responsibilities, which respond to revelations following the Grenfell fire disaster
- Strengthen the recovery and renewal of the Borough through community centred approaches including Asset Based Community Development (ABCD), locality commissioning and the foundational health and wellbeing system

6. Nurturing a child & family-friendly borough

What we need to do well

- Support families to access free childcare entitlements
- Support schools and Early Years settings to deliver good or excellent provision
- Provide good quality, safe play areas for children and families to spend time together
- Help families to get the support they need as early as possible

Key priorities that our resources will support in 2022-23

- Lead on the development of the Performance, Quality Assurance & Improvement Framework across the Children's safeguarding partnership and review the impact on the effectiveness of multi-agency approaches to frontline practice on the whole family.
- Support transformation with the commissioning of high quality, outcome-based services for children, young people and their families ensuring the duty of care to safeguard service users and provide value for money.
- Lead on the robust and effective contract management of Doncaster Children's Services Trust
- Develop a 0-25 Sufficiency Strategy which ensures there are enough setting places available, to meet the needs of all children and young people, reducing the need for children to travel out of the borough for their education.
- Lead on the continued development of the Starting Well Joint Strategic Commissioning Plan. Ensuring steps are taken to create integrated care, working in line with the Integrated Care System (ICS) commissioning intention and to deliver plans across the 3 life stages, linking to the localities commissioning approach
- Contribute to the locality approach to commissioning of services and lead on the joint commissioning priorities that result from the Children and Young Peoples Plan
- Lead on the development and implementation of the Early Help Strategy to embed the practice and principles for our partnership approach to Early Interventions & Prevention for Vulnerable Families.
- Ensure Doncaster's early intervention and prevention offer is effective, local, visible and easily accessible, and works collaboratively with children, young people, their families and communities. This includes the implementation of the Think Families Local Solutions Model
- To lead the implementation of the refreshed Children and Young People's Plan which will embed the vision to be the most child friendly borough in the country.
- Lead on the complex abuse investigation, liaising closely with Ofsted, the provider and other Local Authorities

7. Building transport & digital connections fit for the future

What we need to do well

- Maintain the roads to appropriate standards across the borough.
- Work with regional colleagues to attract investment and promote the usage of public transport and active travel
- Encourage increased rollout of gigabit capable connectivity
- Encourage the rollout of faster 5G mobile services

Key priorities that our resources will support in 2022-23

- Working with the Mayoral Combined Authority, we will deliver the South Yorkshire Digital Infrastructure Strategy
- Develop additional major programmes to improve transport connections across the Borough, such as: Bus Service Improvement Plan, Zero Emissions Bus Regional Area Fund, Electric Buses, Parking Strategy Update, strategic rail opportunities, and seeking funding for the A1 Doncaster bypass widening
- Deliver major programmes to improve transport connections across the Borough, such as: City Region Sustainable Transport schemes, Stage 1 of Gateway East Rail, A18 Westmoor Link Road, Phase 1 of A1 - A19 Link

8. Promoting the borough & its cultural, sporting & heritage opportunities

What we need to do well

- Encourage people to volunteer in cultural, sporting and heritage settings
- Market the borough as a good place to live, work and visit
- Closer collaboration with national bodies, such as the Arts Council, English Heritage and Sport England

Key priorities that our resources will support in 2022-23

- Increased promotion of the borough and its cultural, sporting and heritage opportunities to increase visibility outside of the region, attract new visitors and deliver events that will make a difference to the Doncaster economy
- Working with RLWC and Dons RLFC to maximise the impact of hosting the Rugby League World Cup in October 2022. This includes: RLWC Development Officer working with Doncaster schools, Social Impact research through the Sport England Local Delivery Pilot and destination promotion.
- Refurbishment of Askern, Thorne and Edlington leisure centres to modernise facilities. This will provide greater access to communities and enable residents to be more active, as well as securing the buildings' futures.
- Review the Get Doncaster Moving strategy, ensuring the impact of our future efforts and investment is maximised by using what we have learnt from activities over the last four years.
- Deliver our contribution to Doncaster's new Cultural Strategy. Expand access to all sections of the community, increase visitor numbers, contribute to the borough's economic growth and help improve resident health and wellbeing:
  - Develop a Commercial Plan for our Cultural Services
  - Increase access and utilisation of our buildings across all sites to better engage with service users and attract non users
  - Enhance our approach to the planning of events

A Regenerative Council

Building on our journey as an organisation, and as a place, we need to respond to our understanding of the challenges and opportunities of the future. We want to be a development-led Regenerative Council and we have identified a set of key shifts that are required so that we able to deliver our services well in the future.

These are:

- Shift 1: Local Solutions for People, Places and Planet
- Shift 2: Elected Members Central to Local Solutions for People, Places and Planet
- Shift 3: Intelligence-Led Organisation
- Shift 4: Reduced Overhead Costs, Improved decision making and delivery
- Shift 5: A Council that does the right thing in the right way

What we need to do well?

- Respond to our customers quickly, focusing on a quality customer experience
- Collect Council Tax and Business Rates effectively.
- Support and develop employees to improve performance, engagement and attendance
- Ensure more people can access council services digitally
- Process Housing and Council Tax queries quickly and appropriately
- As a community leader, support Team Doncaster to take a relentless approach to equalities, tackling deprivation and supporting residents to maximise their income
- As a service deliverer, ensure services are shaped by Equality, Diversity and Inclusion objectives and we target resources to where they are most needed
- As an employer, be open and inclusive and champion diversity

Key priorities that our resources will support in 2022-23

Development of Team Doncaster governance to support the delivery of Doncaster Delivering Together. This includes:

  - Identification of key performance indicators and milestones
  - Communication about the potential impact of DDT on our residents and communities
  - Development of critical programmes and schemes with our partners, and agreement that we hold each other to account
  - Revision of our internal decision making processes, so that there is clarity on how competing priorities, interdependencies and unintended consequences will be addressed
  - Reviewing, and realigning, internal and external resources and capacity

- Continue to strengthen Doncaster's place in regional and sub-regional governance structures
- Developing a refreshed set of values for the organisation
- Continue to deliver the Workforce Strategy that equips staff with the right skills and behaviours to deliver and commission good quality services, underpinned by high standards of distributed leadership, collaborative working, and safe working practices
- Expand the Council's award winning apprenticeship programme to support further utilisation of apprenticeships across targeted areas within the organisation, in particular where we are experiencing hard to fill roles or where further training and skills development is needed
- Ensure the Medium Term Financial Strategy (MTFS) identifies the required savings, whilst continuing to provide adequate resources for our corporate priorities, remaining sufficiently flexible to respond to the unprecedented financial volatility in the short term and providing a sustainable funding strategy for the longer term. Deliver the approved savings targets over the medium-term, including the transformational council-wide proposals
- Continue to drive service change through the use of technology to support modern, effective and efficient service delivery and digital ways of working
- Undertake targeted and regular engagement to ensure we are equipped with customer feedback & public perception, and that this informs service change
- Continue to develop and embed effective communications and engagement with all stakeholders and increase the ability to give the right information in the right way at the right time
- Develop a new Customer Experience Strategy that continues to improve the Council's front door interaction with residents, informed by resident feedback, process review and innovations
- Delivery and implementation via the Doncaster Strategic Estates Group of a coordinated approach across public sector partners to Asset Management Strategy
- Build on the implementation and migration to Mosaic system by supporting the practice management, data quality and further system improvements
- Further develop the data and information systems that enable research led approaches to underpin our way of working, including advocating the health, wellbeing and economic benefits of being evidence based and insight informed.

Section 6: Monitoring Our Progress

A robust Performance Management Framework ensures that all the key components are in place across an organisation, ensuring both good governance and successful delivery of key priorities.

The Council's Performance Management Framework (PMF) is the mechanism by which we will manage, monitor and govern key activities that contribute to the successful delivery of the Corporate Plan. It will ensure that, as a Council, we are 'getting the basics right' and identify potential risks to the successful delivery of our plan.

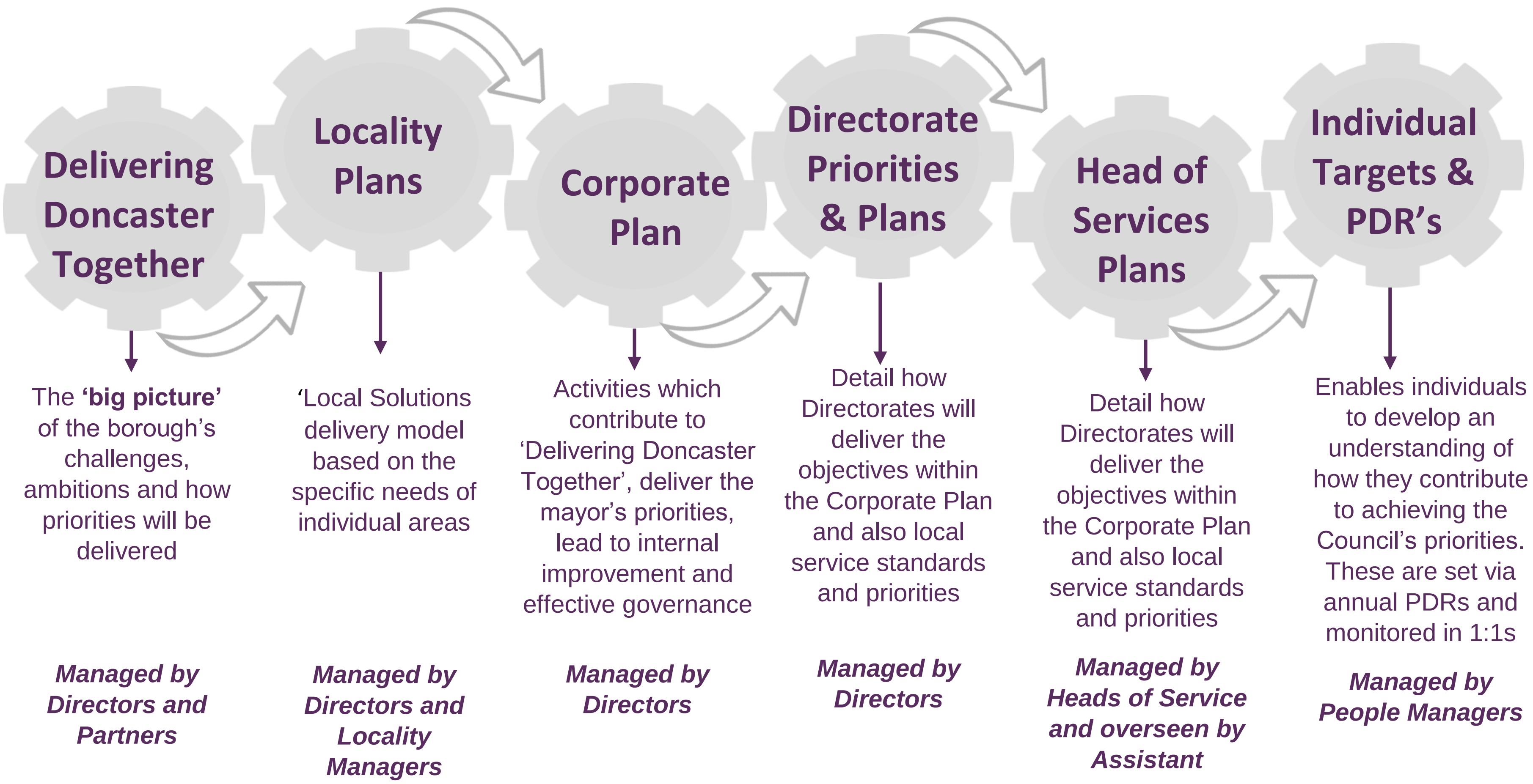
The PMF brings together six key, standalone elements of governance under one framework:
• Managing Performance • Reporting Profile • Service Planning • Risk Management • Data Quality • Equality, Diversity and Inclusion

Together, these ensure individuals, teams, and the Council overall, have clear guidance and systems in place. It shows what we should be doing, how we should be doing it and outlines key responsibilities for delivery.

Performance management is used to continually improve the services the Council delivers and the way they are delivered, learning from experiences, from others and listening to customer needs. Its purpose is to:

- Assist Senior Managers, Staff and Councillors to understand the key components that contribute to effective performance as well as providing a corporate approach for the Council.
- Focus on the Council's key objectives, ensuring the right actions underpin their delivery as well as robust measures that evidence progress and to ultimately achieve our Outcomes.
- Continually improve the services the Council delivers and the way they are delivered, learning from experiences, from others and listening to customer needs.
- Pull together partnership contribution to our borough-wide priorities within 'Delivering Doncaster Together'. Setting out both the governance arrangements and the information flow.

This is delivered through our **Plan, Do, Monitor, Respond** structure that details how each element will be actioned and links directly to the '**Golden Thread'.** The Golden Thread is the term used to describe the link between the different plans within the organisation, connecting borough wide strategic objectives with the actions of individual employees at all levels.



Glossary

CHBC	Council House Build Programme
CRSTS	City Region Sustainable Transport Schemes
DCST	Doncaster Children's Services Trust
DDT	Doncaster Delivering Together
Doncaster Talks	Our community engagement platform
EDI	Equality, Diversity & Inclusion
Golden Thread	The link between the different plans within the Council, connecting borough wide strategic objectives with the actions of individual employees
Great 8 Priorities	The eight priorities that will help meet the goals in the Wellbeing Wheel
ICS	Integrated Care System
LGA	Local Government Association
MCA	Mayoral Combined Authority
Mosaic	Social Care Case Management System Software for Adults, Children and Education related services
MTFS	Medium Term Financial Strategy
Plan, Do, Monitor, Respond	The Council's annual 'Define and Deliver' improvement cycle
PMF	Performance Management Framework
Regenerative Council	A council that restores the local environment, develops the right conditions for the future economy and works alongside communities to improve people's lives and the places in which they live. It has internal processes which optimise performance and positive cultural values to support delivery
SLHD	St Leger Homes Doncaster
TCF	Transforming Cities Fund
Wellbeing Goals	Based on what matters most too local people, these long-term 'beacons' in the distance are what we are working towards
VCSE & Faith Sector	Voluntary, Community, Social Enterprise and Faith Sector

Doncaster Council

Report

Date: 16th February, 2022

To the Chair and Members of the CABINET

REVENUE BUDGET 2022/23 – 2024/25

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

EXECUTIVE SUMMARY

1. Despite the significant financial challenges, the Council has continued to set a balanced budget whilst maintaining investment in the borough and protecting the most vulnerable in our communities. This report details the Mayor's revenue budget proposals for 2022/23 to 2024/25, continuing to deliver on our commitments, as detailed in the Corporate Plan, including being a financially well managed Council.
2. Since 2010, Councils have faced the position of reducing Government funding, strong demand, increasing costs and no reduction in their statutory obligations to provide services. Doncaster Council has 28% less to spend on services in real terms than it did in 2010/11 which represents a £335 reduction per resident. Nationally, this reduction is 21%. Local spending is becoming more narrowly focused on Children's and Adult's Services with over 65% being spent in these areas in 2021/22.
3. On the 27th October, the Government's Spending Review[1] was presented to Parliament and covers the period 2022/23 – 2024/25. The Council received details of the provisional settlement on the 16th December, these will be confirmed in the final settlement (expected early February). The Medium-term Financial Strategy (MTFS) includes all the anticipated changes to the Council's funding and baseline expenditure levels for the next three years. This has identified an overall recurrent funding gap of £21.7m over the next 3 years, with the biggest impact of £13.1m in 2022/23. This shows that although the provisional settlement includes additional grant funding for 2022/23, which is welcome, it doesn't provide long-term sustainable funding sufficient to meet our ongoing budgetary pressures. The overall summary is detailed in paragraphs 27 to 45 and Appendix A.
4. Since March 2020, the COVID-19 pandemic has placed unprecedented stress

[1] https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents

on Council services. In the first instance, responding to the pandemic restrictions and experiencing additional service pressures, e.g. home care & care homes, reduced income from fees and charges, council tax and business rates, and delays in delivering against savings plans set as part of the Council budget. In the recovery phase, services were stepped back up in a COVID-19 secure manner to ensure the safety of Council staff and the safe delivery of public services. In some instances, this affected productivity and in others, the cost of delivery has increased. During 2021/22 the Council has continued to operate in response and recovery mode in light of the ongoing COVID-19 pandemic. The additional one-off funding provided by Government has helped ease the financial pressures however, in many areas the impact is still being felt and will continue to be felt over the 2022/23 to 2024/25.

5. The approach taken to produce this year's budget is once more to keep one eye on the here and now and the other on the longer term. The Council continues to challenge its day to day spending and considers each staff vacancy as they arise. The Council continues to support partners, such as Doncaster Culture & Leisure Trust (DCLT), to operate whilst revenues are below those previously experienced. Recovery is anticipated and therefore budgetary support reduces over the MTFS period, however customer confidence to reuse these services will take time. This budget recognises the shortfall in income and provides for those much needed services to support the health and wellbeing of the public.

6. Unfortunately, there have also been other areas where additional service demands continue to be experienced, including Children's Social Care and Adult Social Care. Prior to the COVID-19 pandemic, Doncaster had seen a steady reduction in the number of children being looked after by the authority, manageable number of children with a child protection plan and a relatively stable and sufficient number of in-house provision of foster carers and residential home placements. However, over the last two years overall demand for social care services has increased, as has the complexity of needs that families are presenting with. This has led to more children needing to be assessed, protected and ultimately an increased number of children in care. The majority of this demand increase can be ascribed to the unintended consequences of COVID-19 but not all. Adult social care providers have also faced cost pressures due to COVID-19 and other market pressures affecting their ability to provide safe, good quality support to people to help them stay as independent and well as possible in their own homes. The Council is actively seeking to manage and reduce the impact of these pressures by limiting future demand, redesigning access to adult social care from the community and hospital, and investing to reduce pressures.

7. The budget pressures also include funding allocations on an invest-to-save basis, which is vital to achieve transformational change and deliver sustainable value for money services. For example, providing funding for Children's Social Care focused on ensuring that children and young people can either remain living with their families or in a local family setting, which improves their overall life chances and costs less. The proposals also include funding for additional apprenticeships across targeted areas within the Council, in particular where we are experiencing hard to fill roles or where further training and skills development is needed. Apprenticeships are a vital recruitment channel to help equip individuals with the necessary skills, knowledge and behaviour they need for specific job roles, future employment and progression. This also provides further apprenticeship opportunities for our residents to access meaningful work and training in the council, thereby improving life chances.

8. In total, the service budget pressures are estimated at £19.0m in 2022/23, increasing to £22.1m by 2024/25. This includes £2.3m for Adults, Health & Wellbeing pressures in 2022/23, details are provided in paragraph 35 and Appendix B. In addition, the cost of pay and price inflation is estimated at £13.5m in 2022/23, increasing to £31.4m by 2024/25. This includes £4.7m set aside for Adult Social Care contracts including the impact of the Government National Living Wage in 2022/23.

9. The budget includes an increase in Council Tax of 4.49% in 2022/23 (1.99% Council Tax increase and a further 2.5% increase through the Government's Adult Social Care precept). This will generate £5.5m overall and is required in order to meet the pressures detailed above, in particular those for Adult Social Care funded from the Social Care precept. This will increase the Council Tax to £1,511.03 per annum Band D (£1,007.35 Band A) which means an additional £64.93 for Band D Council Tax per annum or £1.25 per week (£43.28 for Band A per annum or 83p per week). The Council has chosen to increase by the maximum 4.49%, allowed by government to provide the much needed additional income to fund public services during this challenging period.

10. The Council is committed to protecting the most vulnerable and whilst many Councils have amended their Local Council Tax Reduction Scheme (LCTS), the Council's policy continues to provide a much needed safety net for those on low income. The anticipated cost of this policy in 2022/23 is £24.6m. In addition, to mitigate the impact of the Council tax increase in 2022/23 on those struggling to pay, the Council will commit to provide further hardship support up to a maximum of £300. This provides all recipients of working age LCTS support with a further reduction in their annual bill. In addition, the Local Assistance Scheme funds will be increased by £450k funded from COVID reserves for 2022/23, which provides a safety net for periods of hardship experienced by families.

11. The Council Tax system continues to be disproportionate across the country and successive Governments have failed to come up with an alternative method of local taxation. Doncaster continues to have one of the lowest Council Tax rates in comparison to other Metropolitan Districts and Unitary Authorities (the 8th lowest in 2021/22).

12. Core Spending Power (CSP) is the Government's preferred measure of calculating the theoretical resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS) and represents an estimate of the resources available. It does not represent the actual resources the Council has available. The CSP based on Government assumptions is £272.8m compared to £251.8m for 2022/23, representing a £21.0m increase (8.3% increase). The actual CSP based on the Council baseline position and local decisions is £279.1m compared to £256.6m for 2022/23, representing a £22.5m increase (8.8% increase). The main differences being that the Council retains 49% of any business rates growth since 2013/14 – this is not included in the CSP based on Government assumptions - and the 2.5% increase in the Adult Social Care precept.

13. In March 2021, budget savings of £6.3m were approved in line with the Financial Strategy (£5.4m 2022/23 and £0.9m 2023/24). Ensuring that services are targeted and make a difference to those people who need them most, making the most of technology, re-designing services so they are fit for the future and working in partnership with local communities, voluntary, charity and faith sectors to deliver services together. The savings approved in March 2021

are detailed in Appendix C.

14. However, as detailed above due to the further financial challenges mainly arising from COVID-19, the Council needed to look carefully at the cost of services being delivered and make further proposals to balance the ongoing budget over the MTFS period. The additional funding provided as part of the provisional settlement has helped the position in 2022/23, although ongoing savings need to be delivered over the MTFS period to produce a sustainable balanced budget. The proposals identified amount to £13.5m over the 3 years, with £6.7m in 2022/23. A significant proportion of the savings are on central budgets e.g. treasury management and pensions, and continuing to manage budgets effectively across services, achieving efficiencies through improved working practices and better use of technology where possible. There are also considerable savings planned for Children's Social Care services in line with our strategy to deliver value for money services that ensure we safeguard all children and protect those children and young people who need additional support. The savings are fully detailed in paragraphs 48 to 51 and Appendix D.

15. Although the Government has once again only provided a one-year Settlement, the Council needs to look longer term as service change and transformation takes time to form and implement. For this reason, the Council has set out a three year balanced budget. This will allow the Council to move forward with some certainty and deliver these plans. There will continue to be further challenges, including those arising from COVID-19, and the Council needs the confidence in its financial standing to build upon.

16. Although we have seen a positive improvement of 3,045 (December 2021) in the number of claimants of working age, unfortunately Doncaster remains the highest among regional comparable neighbours at 10,860, making up 5.66% of the working age population. Youth unemployment has stabilised from its peak reporting period in May 2021 with 1,240 fewer claimants. Doncaster is forecast for 29% GVA growth in 2021 based on year on year growth from annualised 2015 prices. Work continues to support communities that have a high representation of economically inactive residents, job claimants and people on low incomes or unstable jobs. This includes establishing employer academies with large anchor institutions across the public and private sector.

17. Whilst the settlement includes increased funding it is only for one year and therefore the longer term funding position remains uncertain. The Council is facing significant volatility in its costs and levels of income from services, in addition to uncertainty in relation to its main funding sources being Government funding, business rates and council tax income. There remains the potential impact of the relaunched Fair Funding Review (FFR) and a "full reset" of the Business Rates Retention scheme. The Council has therefore reviewed the level of reserves available to ensure that it has sufficient funding available. Paragraphs 62 to 66 and Appendix H, shows the current position regarding earmarked reserves. The balance on the uncommitted General Fund reserve for 2022/23 is estimated at £15.9m; and is expected to remain at this level in 2023/24.

18. This budget stabilises service delivery budgets and provides the necessary resourcing to deliver critical service pressures and also ameliorating the impact on fees and charges. It provides a sound financial position in light of the review of local government funding and future financial challenges in relation to the Government's White Paper 'People at the Heart of Care'.

19. The Council is charged with maintaining a balanced budget and the Chief Financial Officer (Section 151 Officer) is required to provide a statement of

financial assurance which is set out in paragraphs 68 to 70 of this report.

EXEMPT REPORT

20. Not applicable.

RECOMMENDATIONS

21. Cabinet are asked to recommend that Council approve the 2022/23 to 2024/25 Revenue Budget as set out in this report. This includes: -

    a) the Medium-term Financial Strategy (MTFS) including all proposals in this report as set out in Appendix A;

    b) a gross revenue expenditure budget of £524.9m and a net revenue expenditure budget of £219.4m, as detailed in Appendix A;

    c) Council Tax increasing by 4.49% to £1,511.03 for a Band D property (£1,007.35 for a Band A) for 2022/23. This includes:-

       i) 1.99% Council tax increase, equating to an increase of £28.78 for Band D per annum, 55p per week (£19.18 for Band A per annum, 37p per week);

       ii) 2.5% Government Adult Social Care precept, equating to an increase of £36.15 for Band D per annum, 70p per week (£24.10 for Band A per annum, 46p per week);

    d) the revenue budget proposals for 2022/23 detailed at Appendix B (pressures £19.0m) and Appendices C and D (savings £12.1m);

    e) the 2022/23 Grants to 3rd Sector Organisations outlined in paragraph 58 and Appendix F;

    f) the fees and charges proposed for 2022/23 at Appendix G;

    g) note the Chief Financial Officer's positive assurance statements (detailed in paragraphs 68 to 70).

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

22. 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

23. The Medium Term Financial Strategy (MTFS) is a three year financial plan, which sets out the Council's commitment to provide value for money services to deliver our mission for Thriving People, Places and Planet, within the overall resources available to it. The MTFS shows how our Council's finances will be structured and managed to ensure that this fits with, and supports, the delivery of our well-being goals and eight crosscutting priorities ('Great 8'), which will drive delivery of the work.

24. The overall aims of our Financial strategy are: -

    - To ensure that effective financial planning and management contributes to the Council achieving our central mission and well-being goals;

- To direct resources as required to support the achievement of our well-being goals and provide the funding required to deliver the ‘great 8’ priorities;
- To maximise the income from Council Tax and Business Rates revenue;
- To maximise income from commercial and regeneration opportunities adding value to the economy;
- To evaluate budget performance to assess the effectiveness of resource allocation.
- To continue to improve value for money - managing people and our money more efficiently, streamlining processes and systems, getting better value from commissioning and procurement, whilst seeking to minimise the impact of budget savings on priority services.
- To ensure the Council's financial standing is prudent, robust, stable and sustainable.

25. The Doncaster Delivering Together (DDT) Strategy enables us to align our policy and budgetary planning cycle, with our partners in Team Doncaster, to jointly agreed goals over the longer term. This focuses on ‘getting things done’ and a whole system approach to delivery.

Medium-term Financial Strategy (MTFS) 2022/23 to 2024/25

26. The MTFS includes the estimated 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) based on current information. The estimated gap for 2022/23 to 2024/25 is £21.7m, summarised below and further details provided in Appendix A.

Explanation of the Funding Gap

27. The table below summarises the year on year changes to the MTFS: -

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**Total 2022/23 – 2024/25 £m**
Baseline Income & Government Grants	-12.6	-3.5	-3.3	-19.4
Council Tax Income	-11.1	-4.3	-4.0	-19.4
Grant Exit Strategies	-21.8	-1.8	0.0	-23.6
Pay & Price Inflation	13.5	10.9	7.0	31.4
Levying Bodies & Other Expenditure	1.8	2.4	0.1	4.3
Service Pressures	19.0	0.4	2.7	22.1
Use of One-off Reserves	24.3	1.1	0.9	26.3
Recurrent Funding Gap	**13.1**	**5.2**	**3.4**	**21.7**

28. The baseline income and government grants increase significantly in 2022/23. This includes £9.5m which is due to the accounting treatment for retail relief grants and the collection fund, in accordance with the legislation. This also impacts on the use of one-off reserves of £24.3m, which reflects the transfers into/out of reserves to facilitate carrying forward the section 31 grants for

business rate reliefs.

29. Government grants have increased by £3.8m in 2022/23: a new one-off 2022/23 Services grant of £5.3m; an increase of £4.4m in the existing Social Care Support Grant; an increase of £3.9m in existing section 31 grants relating to under-compensation of business rates; a new one-off Holiday Activities and Food Programme 2022 grant of £1.4m; and a new on-going Market Sustainability / Fair Cost of Care Fund of £1.0m. These are offset by a number of one-off grants ending.

30. The forecast increase in Council Tax income for 2022/23 is due to a number of contributing factors. This includes the £5.5m additional income generated from the 1.99% Council Tax increase and 2.5% government Adult Social Care precept, £1.4m due to the anticipated improvement of the collection rate from 97.5% to 98.6%, additional income from growth forecast (based on the current tax base and assumptions for 2022/23) of £0.8m, an estimated decrease in the cost of the Local Council Tax Reduction Scheme of £0.4m, and the distribution of the collection fund surplus from 2021/22 of £3.0m.

31. The above highlights the significant impact of changes to the income generated from Council Tax and Business Rates on the baseline funding position for the Council; these income sources provide 42% of the Council's baseline funding. Therefore, attention will need to be focused on these critical income streams to maintain funding levels and prevent further savings being required.

32. The additional cost of pay and price inflation is estimated at £13.5m in 2022/23, increasing to £31.4m by 2024/25. This provides for estimated rising pay costs of £3.0m in 2022/23, increasing to £9.5m by 2024/25. The cost of contract inflation is estimated at £9.7m in 2022/23, increasing to £20.2m by 2024/25; this includes increases each year for the Adult Social Care contracts including the impact of the government national minimum wage. The price inflation pressure is higher than previously anticipated due to the currently high levels of inflation in the economy.

Service Pressures

33. Although the Council is currently forecasting a balanced position for 2021/22 with the use of one-off COVID-19 funding, there are a number of pressures that are expected to continue into 2022/23, and in some cases beyond. The MTFS provides the funding to meet these service pressures and provides some growth essential to deliver our priorities without placing additional burdens on the Council to deliver greater savings. These pressures are detailed in Appendix B. The baseline budget will be increased for the pressures identified on an ongoing basis. A negative figure shows where the funding is being removed to account for one-off pressures in previous years.

34. Adult Social Care is facing demand pressures of £2.8m over the 3 year period. The pressure for residential care is based on extrapolating the current activity and including assumptions for future demand taking into account demographics, transitions and growth (an additional client per month is assumed for both older people residential care and working age adults). Current activity is higher than budgeted (67 net additional clients on older peoples residential) due to slower turnover than forecast, although overall numbers remain lower than previous years we anticipate that the number of people leaving residential care each month will start to increase back to previous levels (based on activity prior to the pandemic this is projected to be one leaver per month).

35. There are also more clients receiving direct payments and the complexity of the

packages are increasing. In addition, pressures are being experienced for Supported Living due to increased care levels throughout the service. Being able to limit future demand pressures on homecare and direct payments for older people, above demography, relies on our ability to build on recent work redesigning access to adult social care from the community and from hospital and investing to reduce pressures, for example by improving outcomes from reablement / rehabilitation and planned reviews.

36. In addition, the financial impact of maintaining a sustainable market for Adult Social Care is a real challenge. Providers of care are currently facing significant pressures due to increasing costs, vacancies in residential homes and retaining staff caused by a number of factors. The impact of National Living Wage (NLW) and National Insurance increases on providers have been built into the price inflation assumptions with the Medium-term Financial Strategy. The Council has ambitions to move towards staff being paid at the Living Wage Foundation's Real Living Wage (currently £9.50 for UK), however this is not possible within current available funding.

37. There are interdependencies between the market challenges and potential future demand. For example we are committed to supporting people to live at home for as long as possible, therefore we need to invest in sustainable homecare rates otherwise this will lead to needing to place more people in residential care, which will increase the costs of residential care.

38. There are also interdependencies between adult social care and the NHS. It is commonly reported that insufficient adult social care capacity creates pressure on the NHS, for example by delaying the speed at which older people can be discharged home from hospital. The measures that are described above such as improving access, improving outcomes from reablement and seeking to support care providers to pay the Foundation Real Living Wage, will help mitigate this. There are also ways that the NHS can help the Council to reduce pressures on Adult Social Care, for example by improving early discharge planning in hospital and by increasing its focus on prevention and rehabilitation in communities.

39. The other area of significant financial pressure is Children's Social Care. During the pandemic, and periods of lock down, many services were limited and children were not seen in the usual way, which allowed hidden harm to occur. In usual circumstances, families and other professionals would have seen children in schools. Support and intervention would have been provided early to prevent harm and crisis. This has led to early missed opportunities and families then requiring statutory services due to the concerns, which are then presented, hence the increase in child protection and some children due to abuse and crisis needing to become looked after. Our Children in Care (CIC) numbers have increased, there is greater complexity of children, and the availability of alternative options to Out of Authority Placements has reduced. We envisage there will be a "residual" number of children that have entered care and will be with us for the MTFS period, and beyond.

40. The Future Placement Strategy (FPS) was developed pre-COVID-19 to deal with increasing demand and ensure that the Trust and the Council draw upon the sufficiency statement to ensure appropriate capacity of placements (foster care/residential care; in-house/out of authority) for our children becoming looked after. The Strategy has a focus on developing more in-house provision, i.e. recruitment of independent foster carers, residential homes and robust commissioning of placements for children with the most complex needs. However, there has been a change in the volume, profile and complexity of

children coming into care. For example the need for specialist residential placements for children with disabilities has grown by 4 Out of Authority placements in 2021/22 in comparison to 0 growth the year before; an increase in need for independent foster care and in house foster care. Further pressure is added to the Out of Authority spend by very costly post-16 placements – again a trend not seen pre-COVID-19. This reflects the national picture of placement pressures where demand for placements outstrips supply. This has the negative and significant consequence of the provider market being able to choose which children to take and to add extra costs through the requests for 2:1 and 1:1 resource, which in turn inflates costs.

41. The pressures for Out of Authority placements also impact on the Dedicated Schools Grant (DSG), which funds a proportion of the costs. In addition to these pressures, the Council is also facing increased costs in relation to Specialist Post 16 Institutions and Education Health & Care plan (EHCP) Top Up payments, consistent with the national position. Last year there was a 12% increase in EHCPs, which adds pressure on top of the circa 2,500 plans currently being maintained. The Council is forecasting an overspend of £5.0m for 2021/22, leading to an overall cumulative overspend on the DSG of £14.1m. This position is not uncommon to other Councils and although the future funding levels remain uncertain, we are taking action to respond and continue to be held to account by the Schools Forum. Work is underway to review the DSG medium term financial plan in order to ensure robust expenditure projections across the period 2021/22 to 2024/25 and build in anticipated savings expected because of the Future Placement Strategy, new SEND strategy and implementation of the graduated approach.

42. As a direct consequence of an increase in demand for specialist learning provision, the home to school transport budget is facing additional pressure 2022/23 onwards. The pressure is caused by new demand, which again is in line with what is seen regionally and nationally. Due to the increase in demand it is not possible to achieve the staff savings identified, i.e. drivers, escorts and colleagues to coordinate and plan routes. It is still the plan to drive costs down through the issuing of bus passes where appropriate and supporting young people to travel independently. It is anticipated that this will begin to impact in the later years of the MTFS, with the gradual reduction of costs as this approach is fully embedded across the service.

43. The Council continues to experience significant reductions in the income from commercial rents and other activities such as car parking and trade waste. The ever changing nature of the COVID-19 pandemic presents the services with the difficult challenge of managing the on-going impact of increased expenditure for example waste collection, as well as understanding the future economic position and impact on the recovery of rental income from our assets. We do anticipate that some behaviours have changed for good, for example, it is unlikely that income from car parking will go back to previous levels, thereby presenting an ongoing pressure.

44. The environment we are operating in has changed which means some savings previously put forward will need revisiting e.g. greater draw on corporate resources required i.e. legal expertise/short breaks increased need.

45. We also need to ensure we continually reflect any increases to the baseline in the relevant budgets. For example, the additional properties delivered across the borough will result in additional service costs i.e. waste collection/disposal. Tackling domestic abuse continues to be a priority for the Council. The COVID-19 emergency has led to an unprecedented increase in demand across all our

partners, which has been recognised and domestic abuse services have been pro-active in securing additional funding to increase capacity including investment in mental health and trauma informed services where this is needed. However the current services are funded from one-off specific grants, some of which have to be secured year on year, therefore this doesn't provide certainty of funding and the service is unable to plan for the longer-term. This budget assumes that services will continue to be funded from grants, although commits to funding the shortfall (estimated at £100k) from contingency, if the grant funding is not received. Therefore providing additional stability for the service to plan with more certainty.

Budget Proposals and Overall Position

46. The budget proposals previously approved in the 2021/22 budget are detailed at Appendix C.

47. As an organisation we will need to adapt and develop new ways of working for the post COVID-19 environment that we will operate in, resulting in a new organisational form that will look and feel substantially different, however this will take time. The approach taken to meet the funding gap has been to review all budgets, focusing on the priorities in the borough strategy and corporate plan, to identify potential savings. Overall the additional budget proposals identified amount to £13.5m over the 3 years, with £6.7m in 2022/23, thereby reducing the ongoing budget position. These are detailed at Appendix D.

48. The budget proposals include savings to central budgets, e.g. pension budgets and treasury management. Like many other Councils we also plan to review and reduce our use of assets, utilising the new ways of operating and blended approach to working.

49. There are also significant savings included for Children's Social Care of £7.6m over the period of the MTFS, with £2.9m in 2022/23. Starting from the revised financial baseline position based on current activity, we are working across a number of operational areas to reduce spend and achieve best value. Our overall strategy is based on the following high level principles:

- Invest and champion prevention and early intervention.
- Ensure that all partners play their part in prevention, early intervention and ultimately statutory safeguarding.
- Invest in the recruitment, retention and development of a permanent, high performing workforce who knows what good practice looks like.
- Support families to remain together for as long as possible.
- Ensure that children access high quality placements as near as possible to home. We can achieve this through having a healthy mixture of in-house and independent foster / residential placements.

50. The budget proposals provided in Appendix D outline the proposals in more detail and cover the following areas:

- continuing with the Future Placement Strategy and vision for all children to have a right to a family life and wherever possible they will be supported to live with their birth parents or family. Where this is not possible, they will live with nurturing and supportive families. If they cannot live in a family home, they will live in a Children's home, which replicates family life as closely as possible. Increasing local foster care provision so we can keep children and young people closer to home and repatriated where appropriate as quickly as possible. Every effort will be made either to safely return children to their families or to ensure they have a permanent alternative family as soon as possible.

- embedding Keys to your Future as we engage and support young people in preparing for adulthood, including supporting the transition to appropriate affordable accommodation and support with Education, Training and Employment (ETE)
- improving quality and practice across our social care teams, reducing caseloads and improving referral pathways. As detailed in the budget proposals specific funding has been allocated for additional staffing to reduce caseloads and provide additional management capacity to give stability and drive the necessary improvement. The overall aim is to develop a learning organisation, with good oversight and practice, continuing the improvement journey with pace. Ensuring the practitioners have time and capacity to work with families, creatively and systematically, to support the change, which will also deliver savings
- reducing the number of agency social workers by recruiting to vacancies and retaining our social workers, with particular emphasis on development, training, appropriate supervision and support. Continuing to develop the Social Care Academy is a key part of delivering on this aim
- explore opportunities for alternative commissioning approaches, for example collaborating with neighbouring authorities to develop more specialist residential services where it makes sense. We will continue to support and challenge the independent market to achieve best value.

51. During 2022/23, the Council will continue to explore opportunities to reduce costs and increase revenue generating options, through: -
    - Productivity – Increasing productivity and removing waste, aiming to simplify where possible and improve co-ordination so there is greater continuity, with less hand-offs;
    - Transformation – delivering savings through transformation in a multitude of ways, taking a whole organisation approach;
    - Demand management – managing the demand for services through a range of targeted measures, including:
        - Preventing people needing services or needing an increase in services;
        - Transitioning people to less dependence on current services; and
        - Reducing contract value both at individual and whole provider level.
    - Enablers for delivery will be better practice, improved technology including a better system, opportunities from locality working and opportunities to work upstream with partner organisations. It is important that we look at the interplay between all the above and neither miss nor double count.
52. One-off additional funding has been identified in 2022/23 and allocated to support the development and delivery of these opportunities, which are essential to managing future financial risks and ensuring value for money services are delivered for Doncaster residents. The additional funding identified includes the impact of utilising COVID-19 grant funding carried forward to offset COVID-19 pressures over the initial period of the MTFS and Minimum Revenue Provision (MRP) underspends anticipated.
53. As highlighted previously there remains considerable uncertainty in relation to

the MTFS due to the government only providing a one-year settlement and the anticipated Fair Funding Review (FFR). In addition, the recently published "People at the Heart of Care" adult social care white paper generates further risks. The white paper brings about fundamental service changes and costs in relation to the cap on care, the extension to means test and support progress towards local authorities paying a "fair cost of care". Nationally specific funding has been earmarked and will be released as the proposals are implemented. However we don't have specific allocations for Doncaster beyond 2022/23 or any way of reliably estimating the costs. Additionally, national analysis suggests that the overall amount allocated by national government is likely to fall some way short of the requirements they will place on Local Authorities, for example to carry out cost of care exercises with care homes and domiciliary care providers to ensure that Councils pay enough to avoid cross-subsidy from private fee payers. The Council's homelessness budgets are also under pressure following the COVID-19 pandemic and the government's "everyone in" policy. The position is under regular review but the additional costs are currently expected to be funded from Homelessness Prevention grant.

54. The table below shows how the budget is balanced over the three years with the savings identified and one-off COVID-19 funding. It also shows the allocations of the one-off funding to priorities identified:-

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**Total 2022/23 - 2024/25 £m**
Budget Gap	13.1	5.2	3.4	21.7
Savings approved in 2021/22	-5.4	-0.9	0.0	-6.3
Savings Proposals	-6.7	-3.4	-3.4	-13.5
Recurrent Budget Gap	**1.0**	**0.9**	**0.0**	
Use of one-off COVID-19 Reserves	-5.6	-2.4		-8.0
Use of one-off s31 Business Rates grants	-7.9	-0.5		-8.4
Minimum Revenue Provision (MRP) underspend	-4.6			-4.6
One-off Surplus	**-17.1**	**-2.0**	**0.0**	
Severance costs	6.0			6.0
Revenue contribution to capital (road improvements and safety)	6.0			6.0
Feasibility works for capital projects	1.5			1.5
General reserves	3.0			3.0
Service Transformation Fund	0.6	2.0		2.6
Balanced Budget	**0.0**	**0.0**	**0.0**	

Fees & Charges

55. Fees and charges are proposed to be increased by 3%, which is vital to meet the costs of inflation. There are some exceptions where fees and charges are required to be increased or introduced by statute or where specific savings proposals involve changes to fees and charges. Appendix G includes the exceptions i.e. those charges inconsistent with the 3% standard increase, new fees and charges from 1st April 2022 and charges that are legally required to be approved by Council each year.

Post Reductions

56. A review of the budget proposals has been undertaken and has identified an estimated 18.1 full time equivalent (FTE) potential post reductions for the budget proposals detailed in Appendix C and D (17.1 FTE for 2022/23 and 1.0 FTE for 2023/24). The reductions will be achieved through the deletion of vacant posts, redeployment and then voluntary redundancies. At this stage compulsory redundancies are not expected. It is also worth noting that within the budget there is also additional funding allocated for specific pressures/initiatives i.e. creation of a cyber-security team and additional posts in the tree team, which will increase the number of posts during the specific funding period. There will also be employment opportunities through the natural turnover of staff.

2022/23 Baseline Budgets by Service Area

57. The 2022/23 detailed budgets updated for the proposed pressures and savings are provided at Appendix E by Directorate, this provides the breakdown of the budget plan by Head of Service (Appendix E to follow for Council report)

Grants to Third Sector Organisations

58. The 2022/23 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.

Monitoring & Challenge

59. 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.

60. 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.

61. 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. In addition, a monthly review enables Directors to monitor the Council's revenue projection and take any further action to ensure effective management of the budget.

Reserves

62. The Council holds both "earmarked" and "uncommitted" reserves. Earmarked reserves are balances set aside for specific purposes, for example Service Transformation Fund; these are summarised in Appendix H.

63. Due to the significant uncertainties and volatility in both our costs and income, the balance of unspent, un-ringfenced COVID-19 funding is held as an earmarked reserve. The COVID-19 funding received in 2021/22 is detailed in the quarterly Finance and Performance Reports; the balance being carried forward to 2022/23 is estimated at £13.5m. This report outlines the use of £8.0m to fund additional COVID-19 pressures in 2022/23 and 2023/24 (including £0.5m of additional budget to support the increasing draw upon the

Local Assistance Scheme) and £1.6m for the £300 hardship LCTS support payment, with the balance being held for any new requirements identified during the 2022/23 financial year.

64. Uncommitted reserves are balances held as contingencies against risks such as emergency events. The uncommitted reserves are expected to remain at £15.9m by 2022/23.

65. 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.

66. Appendix I provides the risk assessment of the Council's level of reserves, which estimates the value of the risks at £15.0m leaving £0.9m headroom over the level of un-committed ongoing general fund reserves available of £15.9m. The un-committed reserves are not excessive for a Council of our size, which spends circa. £530m a year; £15.9m would only run the Council for 11 days. The Council will ensure the reserves remain at an adequate level to manage effectively 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 operating in the current volatile and uncertain environment.

Positive Assurance Statement

67. Under the Local Government Act 2003, when the Council sets the budget, the Council's Section 151 Officer is required to report on: -

    - the robustness of estimates made for the purposes of the calculations; and
    - the adequacy of the proposed financial reserves.

Statement from the Council's Section 151 Officer (Assistant Director of Finance)

68. This report sets out the Council's spending plans to deliver on its corporate priorities as detailed in the Corporate Plan. The aim is to continue to balance the need to respond to the current financial pressures, providing stability for the delivery of services, whilst at the same time providing a sustainable financial strategy for the longer term. Overall I feel this budget places the Council on a firm financial standing. The proposals outlined in the report will provide a balanced budget for 2022/23 and the MTFS period as long as the risks set out in paragraph 76 and 77 can be managed.

69. I can give you positive assurance on the reliability and robustness of the forecasts and estimates in the budget proposals as far as we can based on current local and national information. This budget has been developed following a robust and rigorous process:-

- considering current pressures and forecasting the impact in future years across the Council, for demand services the starting point builds on the current activity levels therefore ensuring an accurate baseline to set the budget for next year;
- providing funding on an invest to save basis to reduce high cost services and achieve value for money, thereby focusing on the sustainable baseline position;
- review of all central budgets and income generating services to maximise the baseline position and ensure an accurate assessment of the cost reductions required;
- the budget proposals have been fully scrutinised to ensure they are deliverable. Although there are challenges in relation to continuing to manage the pressures and deliver savings; these are owned by the Executive Leadership team and there is a firm commitment to deliver;
- the savings developed are targeted and take into account the capacity of the organisation to deliver, whilst at the same time continuing to respond and recover from COVID-19 pandemic. The Council has a good track record of delivering savings;
- all the risks have been fully considered in the development of the budget and are taken into account, these are detailed in the report;
- the budget takes into account funding estimates based on the latest information from government, this is regularly reviewed and updated for changes; and
- the External Audit assessment of the Statement of Accounts, which were approved by the deadline and with no material issues. As part of the Value for Money assessment, it was reported that "based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

70. I can also give positive assurance, 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

71. 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 2022/23 as part of the provisional Local Government Financial Settlement on 16th December, 2021: -

    Councils with responsibility for adult social care can increase their Council Tax by an additional 1% Adult Social Care Precept, plus up to a further 3% where they opted to defer the Precept flexibility that was available to them in 2021/22. This means that a referendum will be required if the authority sets an increase of 3-6% (comprising 1%-4% for the Adult Social Care Precept, and 2% for other expenditure). Councils are strongly encouraged to review the remaining ASC Precept flexibility available to them when preparing their council tax increase for 2022-23. For the avoidance of doubt, the referendum principle applies to the combined Adult Social Care Precept and core referendum principle, not to each element separately.

72. Full details of the Council Tax Referendum Cap and calculation will be presented as part of the Council Tax setting report to Council on 28th February, 2022.

OPTIONS CONSIDERED

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

REASONS FOR RECOMMENDED OPTION

74. The budget proposals seek the appropriate balance in meeting the savings whilst still delivering on the key priorities; protecting front-line services where possible.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

75. These are detailed in the table below: -

	Outcomes	Implications
	Doncaster Working: 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; • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment	Council budget therefore impacts on all outcomes
	Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage	
	Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work	

	Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes	
	Connected Council: • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	

RISKS AND ASSUMPTIONS

76. A risk assessment of the MTFS has been undertaken in accordance with the Council's risk management strategy, which 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. Key risks in relation to the MTFS include: -

    a) Collection Fund – risks that the income from Council tax and Business rates will be less than planned due to lower than anticipated growth or non-payment (potentially due to the ongoing impact of COVID-19 on the economy).

    b) Service Demands/Additional Budget Pressures – risks that service demands continue to increase and there are greater budgetary pressures than those included in the MTFS. This is a greater risk in current times due to the continued impact of the COVID-19 pandemic.

    c) "People at the Heart of Care" white paper – as discussed above, the costs of implementing the planned changes and associated funding aren't yet know.

    d) Delivery of Savings – risks in relation to the delivery of planned savings, which are increasingly more difficult to deliver. Additionally the ongoing impact of COVID-19 may make some savings more difficult to deliver.

    e) 2021/22 Monitoring Position – risks that the 2021/22 monitoring position worsens which impacts on the underlying baseline financial position moving into 2022/23.

    f) Third Parties – risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.

    g) Price Inflation – risks that inflation increases by more than the estimates built into the MTFS; this risk is greater than previous years due to the current economic position where CPI is currently 5.4% for December 2021.

    h) Economy – risk that a recession increases the level of default on debt and bad debt provisions have to increase and/or a higher level of debt has to be written off.

i) One-off Grant Funding – risks in that expenditure does not reduce or cease in line with the one-off grants decreasing or ending over the next 2 years.

j) Spending Review – risks that may materialise as a result of the multi-year Spending Review and the Fair Funding Review (FFR). Although there is some mitigation in relation to the FFR where government have committed to undertaking full and meaningful consultation and the expectation that the additional funding in the sector will be used to minimise the impact of any changes. If the government holds true to the ambitions around 'levelling up' and taking into account the disproportional impact of generating income through council tax, deprived Councils like Doncaster should benefit from any redistribution of resources, however this is far from confirmed and therefore adds to the current uncertainties.

k) Business Rates Retention – risk that a Business Rates reset occurs in the next 3 years (the assumption is that this does not happen but has only been formally postponed by Government until 2022/23 at the earliest); this is expected to result in a loss of funding to the Council.

l) Reserves – risks that earmarked and uncommitted reserves are insufficient to support the Council during this period.

77. The estimates have been produced based on the latest information available, the risks will be monitored during 2022/23 as part of the budget monitoring cycle. The MTFS budget assumptions are continuously reviewed and updated for any changes; including a thorough review during 2022/23 in preparation for 2023/24 budget setting.

LEGAL IMPLICATIONS [Officer Initials…SRF… Date…03/02/22]

78. 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.

79. The Council will need to be satisfied that the MTFS set and the subsequent budget will ensure that the Authority is able to discharge its statutory duties.

80. Any proposed changes to services will require specific legal advice prior to implementation.

81. As set out in the body of the report, any increase in Council tax rates above a certain level will be subject to a local referendum.

FINANCIAL IMPLICATIONS [Officer Initials…RLI… Date…20/01/22]

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

HUMAN RESOURCES IMPLICATIONS [Officer Initials…SH… Date…21/01/22]

83. There are no immediate HR implications identified within this report, however once post reduction numbers are confirmed further advice should be sought regarding the process going forward.

TECHNOLOGY IMPLICATIONS [Officer Initials…PW… Date…21/01/22]

84. Technology continues to be 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.

HEALTH IMPLICATIONS [Officer Initials…RS… Date…21/01/22…]

85. 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 behavioral 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. 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 clarity on the size and future of the public health grant from April 2021 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…MS… Date…04/02/22..]

86. 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.

87. 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: -

a) Removing or minimising disadvantages suffered by people due to their protected characteristic;

b) taking steps to meet the needs of people from protected groups where they are different to the needs of other people; and

c) encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

88. Elected members must consciously consider and have due regard to the three aims of the general equality duty when dealing with the recommendations contained within this report. 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 sets out in one place our EDI objectives and arrangements for embedding equality into everything we do. It outlines our commitment to EDI, and links directly to our strategic ambitions. Our budget proposals seek to limit the impact of budget cuts on the most vulnerable; and

b) **Prioritisation and Planning** – Our key strategic budget themes specifically prioritise the needs of the most disadvantaged in our communities.

89. The additional savings have been reviewed with regard to our PSED obligations and it has been identified that, with the exception of the Transport policy proposals, none of the proposals require a due regard assessment at this stage. The proposals relating to the transport policy will be subject to a specific key decision and due regard assessment following the conclusion of the current consultation exercise.

CONSULTATION

90. Directors and Cabinet have considered the budget proposals at several meetings between August and December 2021. Key dates in the budget timetable leading up to Council approving the budget on 28th February, 2022 are detailed below: -

- Government's Spending Review 2021 – 27th October, 2021
- Cabinet – MTFS 2022/23 to 2024/25 approved – 17th November, 2021
- Provisional LG Finance Settlement 2021/22 – 16th December, 2021
- Cabinet – Council Tax Base 2021/22 approved – 19th January, 2022
- Union Engagement – regular Doncaster Consultative Group meetings including 8th February, 2022
- Overview & Scrutiny Management Committee (OSMC) – Budget-briefing session 27th January, 2022 and OSMC meeting 10th February, 2022
- The Chair of the Overview & Scrutiny Management Committee will respond to the Mayor's budget proposals. The letter will be shown in Appendix J along with the response from the Mayor for the Council report.
- Labour Group – Budget Consultation 25th January, 2022
- Budget sessions with Group Leaders February, 2022
- Final LG Finance Settlement Announcement – expected early February (to be confirmed)
- Cabinet – Council reports – 16th February, 2022.

91. 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

(1) Council Report – Revenue Budget 2021/22 to 2023/24, 1st March, 2021
https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=3309&Ver=4

(2) Cabinet Report – Updates to Medium-Term Financial Strategy (MTFS) 2022/23 – 2024/25, 17th November, 2021
https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3693

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

BCF – Better Care Fund
BIES – Department for Business, Energy and Industrial Strategy
CCG – Clinical Commissioning Group
CPI – Consumer Price Index
CSP – Core Spending Power
DCLT – Doncaster Culture & Leisure Trust
DCST – Doncaster Children's Services Trust
DEFRA – Department for Environment, Food and Rural Affairs
DfE – Department for Education
DfT – Department for Transport
DHSC – Department of Health and Social Care
DSG – Dedicated Schools Grant
DTOC – Delayed Transfer of Care
DWP – Department for Work and Pensions
EC – European Community
EDI – Equality, Diversity and Inclusion Framework
FFR – Fair Funding Review
FTE – Full Time Equivalent
GDP – Gross Domestic Product
HEART – Home Emergency Alarm Response Team
HLF – Heritage Lottery Fund
HO – Home Office
HRA – Housing Revenue Account
iBCF – improved Better Care Fund
IDT – Integrated Discharge Team
LCTS – Local Council Tax Reduction Scheme
LGFS – Local Government Finance Settlement
LIFT – Local Improvement Finance Trust
MBC – Metropolitan Borough Council
MDT – Multi Disciplinary Team
MHCLG – Ministry of Housing, Communities and Local Government
MRP – Minimum Revenue Provision
MTFS – Medium-term Financial Strategy
NCTL – National College for Teaching and Leadership
NHB – New Homes Bonus
NHS – National Health Service

OBR – Office for Budget Responsibility
OSMC – Overview & Scrutiny Management Committee
PANSI – Projecting Adult Needs and Service Information system
PFI – Private Finance Initiative
POPPI – Projecting Older People Population Information system
PSED – Public Sector Equality Duty
RAPID – Rapid Response Team
RAPT – Rapid Assessment Programme Team
RDaSH – Rotherham, Doncaster & South Humber
RPI – Retail Price Index
RPIX – Retail Price Index excluding mortgage interest payments
RSG – Revenue Support Grant
RV – Rateable Value
SE – Sport England
SIGOMA – Special Interest Group of Metropolitan Authorities
SLC – Student Loans Company
SLH – St Leger Homes of Doncaster
STEPS – Short Term Enablement Programme
VER/VR – Voluntary Early Retirement / Voluntary Redundancy
YJB – Youth Justice Board

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Appendix A

Medium-Term Financial Strategy (MTFS) and key assumptions

The Medium-term Financial Strategy for 2021/22 – 2024/25 is provided below: -

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Income				
Retained Business Rates	-26.551	-34.718	-50.197	-51.719
Top Up Grant	-34.854	-34.854	-35.551	-36.262
Baseline Funding	**-61.405**	**-69.572**	**-85.748**	**-87.981**
Revenue Support Grant	-20.480	-21.112	-21.534	-21.965
Settlement Funding Equivalent	**-81.885**	**-90.684**	**-107.282**	**-109.946**
Compensation for under-indexing the business rates multiplier	-4.224	-8.150	-8.150	-8.150
Council Tax Income	-117.679	-128.762	-133.093	-137.120
Improved Better Care Fund	-15.831	-16.310	-16.636	-16.969
New Homes Bonus	-2.455	-2.462	0.000	0.000
Social Care Support Grant	-12.537	-16.937	-17.276	-17.537
Market Sustainability/Fair Cost of Care Fund	0.000	-1.019	-1.019	-1.019
Lower Tier Services Grant	-0.441	-0.464	-0.464	-0.464
2022/23 Services Grant	0.000	-5.265	0.000	0.000
Core Spending Power Equivalent	**-235.052**	**-270.053**	**-283.920**	**-291.204**
Public Health Grant	-24.609	-24.609	-24.609	-24.609
s31 Business Rates Grants	-3.989	-8.658	-4.371	-4.371
Other Specific Grants	-76.172	-60.167	-58.368	-58.368
Customer & Client Receipts	-46.134	-46.134	-46.134	-46.134
Other Income	-64.567	-64.567	-64.567	-64.567
Housing Benefit	-56.700	-49.700	-49.700	-49.700
Total Income	**-507.223**	**-523.888**	**-531.669**	**-538.953**
Expenditure				
Total Council Expenditure (Funded)	**523.216**	**531.553**	**524.917**	**532.546**
Expenditure Changes				
Housing Benefit change (nil impact on gap)	0.379	-7.000	0.000	0.000
Grant decreases exit strategies (one-off)	-29.665	-20.887	-1.799	0.000
Grant decreases exit strategies (on-going)	-3.430	-0.884	0.000	0.000
Adult Social Care Ladder	-1.292	0.800	0.906	0.000
Staffing	4.834	3.038	3.919	2.564
Prices Changes	2.800	9.748	6.057	4.406
Levying Bodies	0.100	0.100	0.100	0.100
Expenditure funded from additional income included above	34.413	1.510	2.300	0.000
Budget Pressures	10.225	19.032	0.436	2.697
Gross Budget	**541.580**	**537.011**	**536.836**	**542.314**
Budget Gap	**34.357**	**13.123**	**5.167**	**3.360**
Budget Proposals for cost reductions	-10.027	-12.094	-4.290	-3.353
Use of one-off Committed Reserves		12.410	1.998	-0.007
Use of one-off Covid-19 Reserves	-5.190	-5.550	-2.400	
Use of one-off s31 Business Rates grants	-19.140	-7.889	-0.475	
Total Budget Gap	**0.000**	**0.000**	**0.000**	**0.000**
Gross Budget (Total Income plus one-off reserves)	**531.553**	**524.917**	**532.546**	**538.960**
Net Budget Requirement (including Baseline Income)	**199.564**	**219.446**	**240.375**	**247.066**

CHANGES IN LOCAL GOVERNMENT FUNDING

1. Following the 2010 General Election, the Coalition Government embarked on an austerity programme aimed at removing the Government's budget deficit and bringing the Government's finances back into surplus. The Spending Review announcements covering the years 2011/12 – 2019/20 contained large and sustained cuts to local government.

2. Since 2010/11, nationally Council funding has been cut by circa. 50%, in addition there is strong demand for services resulting in financial pressures and no reduction in their statutory obligations. Local spending is becoming more narrowly focused on social care due to the need to meet the growing demand and falling central government funding. Over the period 2010 – 2020, the Council faced a total budget gap of circa. £260m.

3. Spending Review 2021 was announced on 27th October 2021; the Government announced indicative allocations of funding for 2022/23 in the provisional local government finance settlement announcement on 16th December 2021. Final allocations of funding for 2022/23 will be confirmed in the final local government finance settlement announcement in early February 2022.

4. Spending Review 2021 set out the funding available for Government Departments for 2022/23 to 2024/25. No updates were provided on the Fair Funding Review (FFR), which would set out how the funding determined by the future Spending Reviews would be allocated or when a "full reset" of the Business Rates Retention scheme would happen.

5. The Local Government Association (LGA) welcomed the additional funding provided in the settlement but added a note of caution around growing demand for services[1]: -

    - It has provided a potential increase of 6.9 per cent in council core spending power in cash terms, including new government grants, to support vital local services. The potential increase will support councils to meet extra cost and demand-led pressures next year to keep providing services at pre-pandemic levels.

    - However, these government forecasts are based on the assumption that every local authority will raise their council tax by the maximum permitted without a referendum. This leaves councils facing the tough choice about whether to increase council tax bills to bring in desperately-needed funding at a time when they are acutely aware of the significant burden that could place on some households.

    - Steadily growing demand has seen councils with responsibility for children's and adult's social care devoting nearly two-thirds of their total spending to these services. While the additional funding these services is good, it will not go far enough in addressing the very real existing pressures these vital services face.

[1] https://www.local.gov.uk/parliament/briefings-and-responses/provisional-local-government-finance-settlement-202223-day

BASELINE FUNDING AND BUSINESS RATES GRANTS

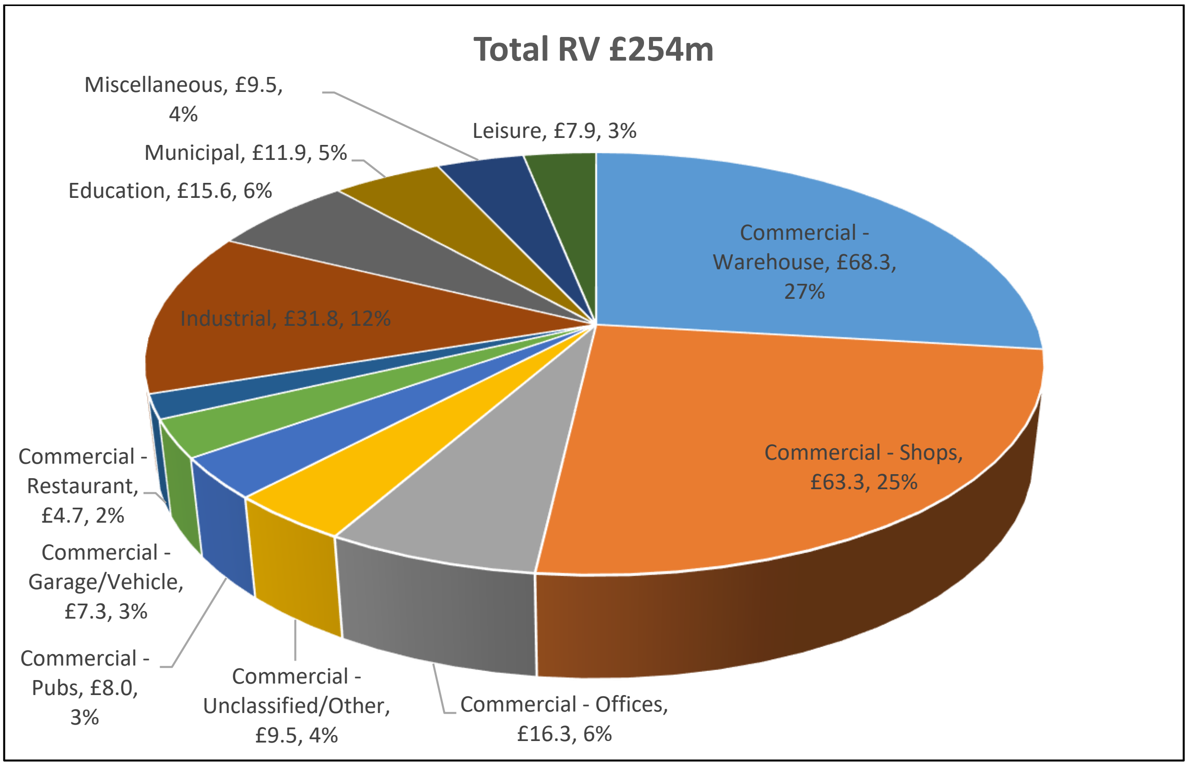
6. The Business Rates Retention scheme, whereby 50% of local business rates income is retained locally, (the Council retains 49% and passes on 1% to the South Yorkshire Fire & Rescue Authority) and 50% is passed to Government, has been in operation since 2013/14.

7. The 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 £34.855m for 2022/23.

8. The baseline funding level has not been reset since the scheme came into operation. Central Government has previously announced that there will be a full reset of business rates but the date has been repeatedly delayed. This means that any "growth" within the current business rates system will be transferred into baseline need and effectively lost to a future Spending Review / Fair Funding Review. Although it is difficult 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. The MTFS assumes that no reset takes place.

9. Full revaluations are carried out every three years and the last revaluation took place on 1st April 2017. The next revaluation therefore, was scheduled for 2020/21, however this has now been delayed until 2023/24.

10. For information, the breakdown of total rateable value of Business Rates by category, as at the end of December 2021, is shown in the chart below (all figures are millions): -



THE COLLECTION FUND

11. 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.

Business Rates

12. The multiplier is based on the Consumer Price Index (CPI) for September but the Government announced in the Spending Review that the multiplier would be frozen for 2022/23. The MTFS includes no increase in the multiplier for 2022/23 and 2% per annum for subsequent years, which is built into the Retained Business Rates and Top Up grant lines.
13. The net Retained Business Rates income is reduced for losses on collection and losses due to appeals of approximately 1.5% and 1.7% respectively.
14. 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.
15. The overall increase in Retained Business Rates income of £8.1m is due to: -
    - removal of the one-off repayment of the deficit for 2020/21 of £19.7m;
    - offset by a decrease in the baseline of £1.3m for 2022/23. The baseline is assumed to decline in 2022/23 based on the on-going impact of the COVID-19 pandemic;
    - offset by the repayment of the estimated deficit for 2021/22 of £10.2m. This is largely due to the additional retail relief granted during 2021/22 (for which the Government will pay a section 31 grant).

Council Tax

16. A breakdown of the 2022/23 Council Tax income and assumptions are provided below: -

Council Tax (Band D)	£1,511.03
Band D Equivalent Properties	84,602
Council Tax Income	**£127.839m**
Collection Fund (Council Tax) Surplus	£0.923m
Total Council Tax Income	**£128.762m**

17. The overall increase in Council Tax income of £11.1m is due to: -
    - the move from a repayment of the accumulated deficit up to and including 2020/21 of £2.1m, largely caused by increased levels of Local Council Tax Support (LCTS) and reduced growth in the number of properties to a distribution of an estimated surplus from 2021/22 of £0.9m, largely due to higher growth and high levels of collection (£3.0m net improvement);

- 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%. It is assumed that the collection rate will improve as the on-going effects of COVID-19 subside so the assumed collection rate for Council Tax in 2022/23 has been increased from 97.5% to 98.6% which increases Council Tax income by £1.4m;
- it is assumed that the increased levels of LCTS granted in 2021/22 will reduce in 2022/23 which increases Council Tax income by £0.4m;
- the increase in the core level of Council Tax of 1.99% will generate additional Council Tax income of £2.4m; and
- the increase in the Adult Social Care levy of 2.5% will generate an additional Council Tax income of £3.1m;
- it is assumed that the number of properties will grow in 2022/23, albeit at a lower rate than in previous years, which will generate an additional Council Tax income of £0.8m.

COMPENSATION FOR UNDER-INDEXING THE BUSINESS RATES MULTIPLIER

18. For 2022/23, the Government will continue to pay under-indexation grant to ensure that local authorities are compensated for the difference between the change in the small business rates multiplier and the change in the Retail Price Index (RPI). The Core Spending Power figures published at provisional settlement showed under-indexation in line with the Consumer Price Index but will be updated to RPI for the final settlement. It is estimated that this will result in additional grant of £4.0m for Doncaster in 2022/23.

IMPROVED BETTER CARE FUND

19. 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. Improved Better Care Fund (iBCF) 2017 settlement – the additional iBCF funding was allocated through a separate grant to local government, using a methodology that provides greater funding to those authorities that benefit less from the additional council tax flexibility for social care. This additional funding commenced in 2017/18 and has decreased every year since. In response to the growing concerns of local government about the escalating costs of providing both Adult and Children's social care, the government announced one-off grants for 2018/19 and 2019/20 for Winter Pressures. This was rolled into the iBCF.
20. The provisional settlement confirms that this funding will continue at £16.310m in 2022/23, an increase of £0.479m from 2021/22.
21. A specific Section 75 pooled budget will be completed once final funding allocations have been confirmed. The iBCF is being spent on the costs of increased demand and inflationary pressures.

NEW HOMES BONUS

22. 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 consequently the Council is worse off because the amount deducted is significantly more than the grant received.

23. The 2017/18 Settlement announcement on 15th December 2016 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% that has to be exceeded before any NHB becomes available. Spending Rounds 2019, 2020 and 2021 have all announced that in-year allocations would not attract any legacy payments.

24. The NHB for the Council is £2.462m for 2022/23, which is a £0.007m increase from 2021/22.

25. The net grant loss is significant at £34.527m. 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 MHCLG 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	Reimbursement Grant	Total Grant Receipt	Grant Reduction	Net Grant Loss
	£m	£m	£m	£m	£m
2011/12	403	0	403	1,412	1,009
2012/13	928	0	928	3,054	2,126
2013/14	1,314	565	1,879	5,312	3,433
2014/15	2,430	228	2,658	6,729	4,071
2015/16	3,479	224	3,703	8,500	4,798
2016/17	5,051	160	5,211	10,518	5,307
2017/18	4,946	173	5,119	8,868	3,749
2018/19	4,458	0	4,458	6,708	2,250
2019/20	4,468	0	4,468	6,502	2,034
2020/21	4,086	0	4,086	6,424	2,338
2021/22	2,455	0	2,455	4,406	1,951
2022/23	2,462	0	2,462	3,924	1,462
Total	**36,480**	**1,350**	**37,830**	**72,357**	**34,527**

ADULT SOCIAL CARE GRANTS

26. The provisional settlement confirms that the "one-off" grants for 2018/19, 2019/20, 2020/21 and 2021/22 for Social Care Support will continue at the same level of £12.537m in 2022/23. Spending Review 2021 announced a new on-going increase in the Social Care Support as part of a £1.6bn package for social care. The additional grant for 2022/23 for Doncaster is £4.400m.

MARKET SUSTAINABILITY / FAIR COST OF CARE FUND

27. Government announced in December 2021 funding for Adult Social Care market sustainability and fair cost of care. This included an additional £1.0m for 2022/23, potentially rising to £3.7m from 2023/24 to support local authorities move towards paying providers a fair rate of care. It is assumed that this funding will cover increased costs (fee rates) and therefore has a nil impact on the overall MTFS position. As a condition of receiving this grant funding in the 2 following years, local authorities will need to submit to the Department of Health and Social Care (DHSC) a cost of care exercise, a provisional market sustainability plan and spend report detailing how money has been allocated in line with government expectations in order to achieve a more sustainable local market by September 2022.

28. Also included is funding to cover the local authorities' losses due to the cap and means testing elements of the adult social care funding reforms relating to client contributions, from October 2023, which is assumed within the MTFS to balance. There is a risk to the LA that these losses may not be adequately covered by the increased grant funding being made available but until further detail and guidance is published this cannot as yet be quantified.

29. Finally, there is further planed government funding to improve wider social care system of £1.7bn over 3 years however whilst there is no specific detail on how this may be allocated to councils, or providers, it expected that any additional funding would cover new expenditure.

LOWER TIER SERVICES GRANT

30. The final settlement for 2021/22 confirmed a new on-going grant for 2021/22: a £111m Lower Tier Services Grant comprising two elements: -
    - £86 million distributed using shares of lower tier funding within the 2013-14 Settlement Funding Assessment; and
    - £25 million for a funding floor to ensure no authority has a total Core Spending Power less than in2020-21.

31. The Council's grant for 2022/23 is £0.464m, an increase of £0.023m.

2022/23 SERVICES GRANT

32. The provisional settlement for 2022/23 provided a new one-off grant for 2022/23: a £822m 2022/23 Services Grant. This provides funding to all tiers of local government in recognition of the vital services delivered at every level of local government that are at the core of every community.

33. The Council's grant for 2022/23 is £5.265m; it is assumed this grant is one-off. 2023/24 is expected to include a fair funding review – previous work undertaken on this suggests that Doncaster may lose funding through this process so it is prudent not to commit this grant for more than 1 year.

PUBLIC HEALTH

34. 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.

35. The ring-fence on Public Health spending will be maintained in 2022/23. For 2022/23, the Council should see a freeze in the Public Health Grant, however the Government have not yet made a final announcement confirming the size of the grant and any additional burdens. The funding of any NHS pay awards in Council commissioned services needs to be explicitly addressed.

OTHER SPECIFIC GRANTS

36. 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. The largest grants such as Public Health and iBCF are shown separately in the MTFS. Further details of the main specific grants (ring-fenced and non ring-fenced) are provided below. The following table details the amounts for 2021/22 recorded on the ledger as at 31st December, 2021 and the assumptions for 2022/23 - 2024/25: -

Grant	Issued By	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Non Ring-fenced					
New Burdens - BEIS	BEIS	-0.413	0.000	0.000	0.000
Extended Rights to Free Transport	DfE	-0.411	-0.411	-0.411	-0.411
Local Reform & Community Voices	DHSC	-0.206	-0.206	-0.206	-0.206
War Pension Disregard	DHSC	-0.125	-0.125	-0.125	-0.125
COVID-19 Support Grant	DLUHC	-9.791	0.000	0.000	0.000
Homelessness Reduction Grant	DLUHC	-0.431	-0.431	-0.431	-0.431
Local Council Tax Support Grant	DLUHC	-2.791	0.000	0.000	0.000
Supporting Families Grant	DLUHC	-1.107	-1.147	-1.147	-1.147
Housing Benefit Award Accuracy Initiative	DWP	-0.010	-0.010	-0.010	-0.010
New Burdens Grant	DWP	-0.133	-0.133	-0.133	-0.133
Universal Credit	DWP	-0.036	-0.036	-0.036	-0.036
Verify Earnings and Pensions	DWP	-0.324	-0.324	-0.324	-0.324
Ring-fenced					
NPO Grant	Arts C	-0.100	-0.100	-0.100	-0.100
Adult and Community Learning from Skills Funding Agency	BEIS	-0.228	0.000	0.000	0.000
Higher Education Funding Council for England (HEFCE) Payments	BEIS	-0.179	-0.179	-0.179	-0.179
Dedicated Schools Grant (DSG) - Central Element (Includes Early Years)	DfE	-34.001	-38.015	-38.015	-38.015
Holiday Activities and Food Programme 2022	DfE	0.000	-1.364	0.000	0.000
Music Services Grant	DfE	-0.441	-0.441	-0.441	-0.441
Personal Adviser duty Implementation Grant	DfE	-0.074	-0.074	-0.074	-0.074

Grant	Issued By	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Pupil Premium Grant (Children in Care Element)	DfE	-0.961	-0.961	-0.961	-0.961
School Improvement & Brokerage Grant	DfE	-0.151	-0.151	-0.151	-0.151
Staying Put Implementation Grant	DfE	-0.203	-0.203	-0.203	-0.203
Air Quality	DEFRA	-0.072	-0.072	-0.072	-0.072
Waste Infrastructure Grant	DEFRA	-2.385	-2.385	-2.385	-2.385
Better Mental Health Grant	DHSC	-0.317	-0.045	0.000	0.000
Care Act Grant (Social Care in Prisons)	DHSC	-0.343	-0.343	-0.343	-0.343
COVID-19 Community Testing Grant	DHSC	-1.214	0.000	0.000	0.000
COVID-19 Test, Track & Contain Grant	DHSC	-2.502	0.000	0.000	0.000
Inpatient Detox Grant	DHSC	-0.576	-0.300	0.000	0.000
Practical Support Framework	DHSC	-0.928	0.000	0.000	0.000
Shaping Places	DHSC	-0.019	-0.019	-0.019	-0.019
Tier 2 Weight Management Grant	DHSC	-0.330	0.000	0.000	0.000
Universal Drug Treatment Grant	DHSC	-0.365	-0.365	-0.365	-0.365
Bus Service Operator's Grant - Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant	DfT	-0.020	-0.020	-0.020	-0.020
Sustainable Transport Access Fund	DfT	-0.309	-0.208	-0.208	-0.208
Council Tax Support Admin Subsidy	DLUHC	-0.390	-0.390	-0.390	-0.390
COVID-19 Track & Trace Support Payment	DLUHC	-2.068	0.000	0.000	0.000
Domestic Abuse Grant	DLUHC	-0.733	-0.733	-0.733	-0.733
Homelessness Prevention Grant	DLUHC	-0.308	-0.308	-0.308	-0.308
DLUHC - Launchpad / Technical Assistance	DLUHC	-0.020	0.000	0.000	0.000
The Private Finance Initiative (PFI) (Schools - fixed for the 25 years duration of PFI scheme)	DLUHC	-3.478	-3.478	-3.478	-3.478
Rough Sleeper Initiative	DLUHC	-0.830	-0.630	-0.630	-0.630
Discretionary Housing Payments (DHPs)	DWP	-0.702	-0.702	-0.702	-0.702
Housing Benefit Subsidy Admin Grant	DWP	-0.951	-0.951	-0.951	-0.951
Independent Living Fund	DWP	-0.660	-0.660	-0.660	-0.660
DWP Technical Assistance Grant	DWP	-0.028	-0.028	-0.028	-0.028
ERDF & ESIF - Community Wealth Builder	EC	-0.212	-0.090	0.000	0.000
ERDF & ESIF - Launchpad	EC	-0.089	-0.107	-0.107	-0.107
ERDF & ESIF - Opening High Street Safely Fund	EC	-0.240	0.000	0.000	0.000
ERDF & ESIF - Productivity	EC	-0.035	-0.035	-0.035	-0.035
ERDF & ESIF - SCR Advance Grant	EC	-0.640	-0.970	-0.970	-0.970
ERDF & ESIF - Welcome Back Fund	EC	-0.270	0.000	0.000	0.000
Heritage Lottery Fund	HLF	-0.005	0.000	0.000	0.000
Asylum Seekers (Unaccompanied Asylum Seeking Children)	HO	-0.500	-0.500	-0.500	-0.500
Syrian Resettlement Programme Grant	HO	-0.098	-0.098	-0.098	-0.098
Initial Teacher Training (ITT)	NCTL	-0.286	-0.286	-0.286	-0.286
Sport England Grant	SE	-0.818	-0.818	-0.818	-0.818
Student Loans Company	SLC	-0.161	-0.161	-0.161	-0.161
Ambition (Sheffield City Region)	SYMCA	-0.039	-0.039	-0.039	-0.039
COVID-19 Business Grants-SYMCA	SYMCA	-0.450	-0.450	-0.450	-0.450
Youth Justice Board	YJB	-0.665	-0.665	-0.665	-0.665
Other Specific Grants		**-76.172**	**-60.167**	**-58.368**	**-58.368**

37. 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: -

Grant Exit Strategy	Issued By	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
One-off					
New Burdens - BEIS	BEIS		-0.413		
COVID-19 Council Tax Hardship Fund	DLUHC	-2.993			
COVID-19 Emergency Active Travel	DLUHC	-0.186			
COVID-19 Support Grant	DLUHC	-18.637	-9.791		
Flexible Homelessness Support Grant	DLUHC	-0.308			
Local Council Tax Support Grant	DLUHC		-2.791		
Holiday Activities and Food Programme 2022	DfE			-1.364	
Opp Area Social Mob Grant	DfE	-2.000			
Emergency Assistance Food & Essential Supplies	DEFRA	-0.446			
Better Mental Health Grant	DHSC		-0.272	-0.045	
COVID-19 Community Testing Grant	DHSC		-1.214		
COVID-19 Test, Track & Contain Grant	DHSC	-2.495	-2.502		
COVID-19 Track & Trace Grant	DHSC	-2.234			
Inpatient Detox Grant	DHSC		-0.276	-0.300	
Practical Support Framework	DHSC		-0.928		
COVID-19 Rough Sleeper Assistance	DLUHC	-0.018			
COVID-19 Track & Trace Support Payment	DLUHC	-0.304	-2.068		
ERDF & ESIF - Community Wealth Builder	EC		-0.122	-0.090	
ERDF & ESIF - Opening High Street Safely Fund	EC		-0.240		
ERDF & ESIF - Welcome Back Fund	EC		-0.270		
European Community Grants	EC	-0.044			
On-going					
Supporting Families Grant	DLUHC	-1.608			
Adult and Community Learning from Skills Funding Agency	BEIS	-0.441	-0.228		
Tier 2 Weight Management Grant	DHSC		-0.330		
Sustainable Transport Access Fund	DfT	-1.105	-0.101		
DLUHC - Launchpad / Technical Assistance	DLUHC	-0.039	-0.020		
Rough Sleeper Initiative	DLUHC		-0.200		
Discretionary Housing Payments (DHPs)	DWP	-0.202			
Heritage Lottery Fund	HLF	-0.035	-0.005		
Total Exit Strategies		**-33.095**	**-21.771**	**-1.799**	**0.000**

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

- 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 2022/23 block allocations including Academies are as follows: -

    - Schools Block Allocation £229.5m - this is almost entirely delegated to schools, excluding the growth fund, with budget allocations for 2022/23 due to be sent out to schools in February 2022;
    - Central School Services Block £1.7m – now provided as a separate allocation to the schools block to cover services provided centrally to pupils/schools;
    - High Needs Block Allocation £46.7m;
    - Early Years Block Allocation £20.0m.
- 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.
- The Holiday Activities and Food Programme 2022 grant will be spent in line with the government guidance. Free places will be available at holiday clubs in the Easter, summer and Christmas holidays 2022 to children who receive benefits-related free school meals. The holiday club places will be available for the equivalent of at least 4 hours a day, 4 days a week, 6 weeks a year. This covers 4 weeks in the summer, plus a week's worth of provision in each of the Easter and Christmas holidays.

OTHER INCOME

39. 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.

40. 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 2022/23 draft spending plan for the BCF is detailed below, based on 2021/22 funding allocation (with final allocation for 2022/23 still to be confirmed): -

Better Care Fund 2022/23	**£'000**
Programme Management	104
Hospital based Social Workers	229
Homecare Management	218
HEART / Telecare	770
STEPS / Occupational Therapist service / RAPID	1,965
RAPT	116
(Positive Steps) Social care Assessment Unit / DTOC	2,263
Hospital Discharge Worker	28
SPOC / One Point 1	60
Well North / Doncaster Project	196
Affordable Warmth	85
Healthier Doncaster (Be Well Doncaster)	293

Better Care Fund 2022/23	£'000
Integrated Discharge Team	222
Occupational Therapist - Aligned to STEPS & IDT	186
Occupational Therapist - Supporting enhanced care home MDT's	149
Community Wellbeing Officers	456
Community Care Officers	89
Mental Health Social Work Team	207
Community Adult Learning Disability Team	68
Complex Lives Amber Project	50
Complex Lives	134
Mental Health - Doncaster Mind	200
Enhancement of Dementia support services (Alzheimer's dementia café's)	87
The Admiral service (making space)	81
Home from Hospital (Age UK)	72
Carers Innovation Fund 'Time for You'	200
Total	**8,528**

41. The following table sets out the Other Income for 2021/22. This is the 2022/23 baseline starting position: -

Other Income	**2022/23 £m**
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	-25.608
NHS Contributions – includes income from Continuing Health Care Contributions and Section 256 and Section 75 Agreements with NHS (Better Care Fund & Pooled Budgets)	-16,572
Trading Services Income – includes fleet transport and public buildings maintenance, Street Scene and Highways operations and Commercial services.	-13,471
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	-2,137
Contributions Towards Expenditure – includes service charges and various cost recovery charges including recovery of Court costs by Local Taxation Services	-3,311
Investment Interest	-1.533
Developer Contributions – S106 & S38 agreements	-0.247
Other Contributions – includes external income from alarm monitoring for housing associations and from energy companies in relation to feed in tariffs for solar panels	-1.688
Other Income	**-64,567**

HOUSING BENEFIT

42. The 2022/23 estimated cost of £49.7m is based on an assumed 8,000 caseload for local authority tenants and 5,000 in the private sector. The caseloads are similar to 2020/21.

ADULT SOCIAL CARE LADDER

43. The MTFS includes an adjustment to provide sufficient baseline funding for Adult Social Care. This is based on the funding required for the current care ladder activity, taking into account the savings and additional funding provided in previous years. It also provides minimal growth for future years in line with our current strategy, which seeks to keep people in their own homes for longer and build on the potential for prevention and innovation that exists. The adjustment to the baseline was a £1.3m budget reduction in 2021/22, followed by increases of £0.8m in 2022/23 and £0.9m in 2023/24, on the basis of the following assumptions: -

44. Older People Residential – demographic growth has been included for 2023/24 only, based on latest POPPI/PANSI information. The demographic growth in 2021/22 and 2022/23 is being managed in accordance with the current strategy.

45. Working Age Residential – provides for demographics and transitions, including growth due to mental health, based on net growth of 12 per annum for each of the next three years. This is based on the average number of placements made in the last two years.

46. Non-residential – assumes no growth, based on effective assessments taking place, strong front door and greater use of Assistive Technology and improved working practices.

STAFFING

Pay

47. Funding has been set aside in accordance with the latest assumptions on a national pay award of 2% for 2022/23 and 2% for subsequent years. The assumptions also include increments being paid every other year; the next increments are due in April 2023 for all staff except DCST staff who continue to receive increments annually.

Pension

48. The actuarial valuation for the period 2020/21 – 2022/23 shows that the Council's Pension Fund is no longer in deficit and has moved into a small surplus therefore the MTFS assumes that the pension deficit budget can be reduced from 2020/21.

49. A summary of the pay inflation provided in the MTFS is detailed below: -

Staffing	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**
Pay Inflation – based on the assumptions of 2% for 2022/23 and 2% for subsequent years	3.218	2.303	2.303	2.303
Increments	1.616	0.261	1.616	0.261
Employers National Insurance contributions (increase of 1.25%)		0.474		
Total	**4.834**	**3.038**	**3.919**	**2.564**

PRICE CHANGES

50. 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.

51. 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: -

Inflation	**March**		**December**		**September**		**July**	
	2022	***2021***	**2021**	***2020***	**2021**	***2020***	**2021**	***2020***
CPI					3.1%	*0.5%*		
RPI			7.5%	*1.2%*	4.9%	*1.1%*		
RPIX	TBC%	*1.6%*			5.0%	*1.4%*	3.9%	*1.9%*

52. The cost of price inflation for 2021/22 was £2.8m, including £1.3m for Adult Social Care contracts. The various inflation indicators shown in the table above have increased since last year. It is assumed that £4.7m will be needed in 2022/23 for Adult Social Care contracts and a further £5.0m needed for other inflation. A summary of the inflation to be provided in 2022/23 is provided below. No inflation is applied for expenditure areas not mentioned below: -

Category	**£m**
Adults Contracts (Various%)	**4.683**
Other Inflation	
Apprenticeship Levy (2%)	0.012
Audit Costs (10%)	0.020
Building Repairs & Maintenance (Various%)	0.056
Coroners (Various%)	0.009
CYPS Placements (Various%)	0.143
Electricity (38%)	0.422
Electricity (Street Lighting) (28.57%)	0.445
Gas (55%)	0.170
Grounds Maintenance (2%)	0.017
Highways Contracts (3.33%)	0.171
ICT Contracts (3.68%)	0.060
Insurance (Various%)	0.078
Landfill Tax (2.97%)	0.011
LIFT contracts (4.9%)	0.037
Markets (3.1%)	-0.002
Members Allowances (2%)	0.021
Other Energy Costs (Various%)	0.002
Pension / Retirement Costs (3.1%)	0.159
Racecourse Joint Venture (5%)	-0.007
Rents (Various%)	0.003
Rotherham Payroll Contract (5%)	0.050

Category	**£m**
Skip Removal & Disposal Contract (12.35%)	0.009
SLH Management Fee (5.4%)	0.081
Transport (Various%)	0.230
Waste Collection Contracts (Various%)	0.561
Waste Disposal Contracts (8.62%)	0.635
Waste Management Contracts (5%)	0.104
Water (1.7%)	0.003
Childrens Trust Inflation	0.950
MRP Inflation	0.129
Contingency	0.486
Subtotal Other Inflation	**5.065**
Total Price Inflation	**9.748**

BUDGET PRESSURES

53. The service pressures are estimated at £19.0m for 2022/23, £0.4m in 2023/24 and £2.7m for 2024/25; 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 MTFS also provides £0.1m for levy increases.

Appendix B

Budget Pressures approved in 2020/21 and 2021/22 budgets

			Total	£1.212m	£0.293m	£1.505m
Proposal	**Director**	**Service / Pressure Proposal**	**Proposal Narrative (including potential impact on service outcomes and any mitigating actions)**	**2022/23**	**2023/24**	**2022/23 - 2023/24 Total**
				£'m	**£'m**	**£'m**
2020/21 Pressure	AH&Wb	Adult Social Care	An assumption was included in the 2020/21 budget for demographic changes, updates for 2021/22 have been incorporated into the MTFS assumptions detailed in Appendix A.	0.120		0.120
2020/21 Pressure updated	CW	Services	When the budget was approved in 2020/21 an assumption was included for future pressures of £2m in 2021/22 and £2m in 2022/23. Following the identification of specific pressures for 2021/22 the assumption for general pressures has been reduced to £0.5m. A further £2m has also been added for 2023/24.	2.000	2.000	4.000
2020/21 Pressure	CW	Revenue Contribution to Capital Schemes	One-off pressures in 2020/21 and 2021/22: Fund the Adwick SEC, Integrated People Solution Phase 2 and Customer Journey capital schemes in full and the final year of the Integrated People Solution Phase 1 capital scheme through revenue. One-off pressures in 2020/21: Fund the Electric Pool Cars and Charging Infrastructure and Pool Car Relocation capital scheme through revenue. Fund the Council's contribution to the Transforming Cities Fund capital scheme through revenue. The contribution will be match funded with up to £45m of grant from central government. Fund the Future Placements Strategy (CiC) capital scheme through revenue.	-0.327		-0.327
2021/22 Pressure	AH&Wb	DCLT	Ongoing reductions in income due to restrictions on capacity etc. result in the need to provide additional support to ensure the borough still has leisure facilities and a cultural offer. The support should reduce over time as the recovery progresses. Current figures are best estimates and will continue to be refined in response to the pandemic restrictions in place.	-1.500	-1.500	-3.000
2021/22 Pressure	AH&Wb	Additional COVID costs faced by care providers	Contingency to help support Doncaster's social care providers and maintain essential service continuity in case Covid impact continues into future years	0.000	-1.300	-1.300
2021/22 Pressure	CW	Capital programme	Provide funding to meet borrowing costs (repayment and interest) associated with the capital programme 2021/22 - 2023/24.	0.500	0.500	1.000
2021/22 Pressure	DCST	DfE grant	Department of Education (DfE) funding received by the Trust assumed to reduce over 3 years - £1.2m assumed to be received in 2021/22, £0.7m in 2022/23 & £0 in 2023/24. It has now been confirmed that no grant will be received after 20/21, the shortfall this creates will be dealt with using the £3m increased Social Care grant to be received in 2021/22.	0.500	0.700	1.200

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2022/23 - 2023/24 Total
				£'m	£'m	£'m
2021/22 Pressure	E&E	Launchpad New Business Start up match funding	Match funding is needed to enable the draw down of £139k of ERDF grant via the Launchpad project. This gap / pressure arises in the newly approved extension of Launchpad providing an additional 15 months new business start-up activity for Doncaster from 1 April 2022 - 30 June 2023. The programme can now also support micro businesses regardless how long they have been trading. The Launchpad programme is, now more than ever, a priority for Doncaster in its recovery journey from the impact of COVID-19 on the local economy. It will ensure there is support for people moving into self-employment / new business start-up, resulting in people being economically active and establishing new businesses that will provide jobs for the future. Without the Launchpad project there would be no dedicated business start-up support in Doncaster. The period beyond the Launchpad project will also be considered with regards to how business start-up support can be funded and delivered for the benefit of the people of Doncaster, should a funding scheme not be available to replace the European programme.	0.107	-0.107	0.000
2021/22 Pressure	E&E	Street Scene	The additional funding will make up for a mixture of external income loss £50k (the Tree Team works for example) and additional PPE equipment and COVID-19 related precautions for staff £50k. The position will continue to be monitored - it is possible that the situation continues beyond 21/22.	-0.100		-0.100
2021/22 Pressure	E&E	Sustainability Unit	The function of the sustainability unit will be driven by the Climate commission report and the Councils Environment and sustainability report which has just been completed and will be out for consultation, these reports will be used to draw up a sustainability action plan which will set the agenda for the unit which may identify further budget requirements which are unknown at this point in time.	-0.088		-0.088

Appendix B

New Budget Pressures 2022/23

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
			Total	£17.820m	£0.143m	£2.697m	£20.660m
				£'m	£'m	£'m	£'m
2022/23 Pressure	AH&Wb	Adults Care Ladder Demographic Growth	An assumption was included in the 2020/21 budget for demographic changes across the 3 year period to 22/23 (including £120k for 22/23 already approved). The pressures listed here are the additionality for 22/23 and new pressures relating to demographic growth for the 3 year period	0.108	0.286	0.262	**0.656**
2022/23 Pressure	AH&Wb	Adults Care Ladder updated current client numbers	**Adults Care Ladder – Residential Care** 22/23 is based on current client numbers and projections to year end within care ladder monitoring forecast for 21/22 which projects that the starting client number base position on older people residential placements for April 22 will be higher than was anticipated in last year's medium-term financial strategy (MTFS) budget assumptions (incl. 67 additional clients above levels predicted last year). The growth assumption is that working age adults residential care increases only by demographics and transitions/growth, to give net 1 additional client per month on working age adults across all three years of the MTFS, which follows the same assumptions on future growth budgeted for during 21/22 MTFS, with the addition of 24/25 as a new year's pressure. On older peoples residential there is an assumption of 40 new placements per month, based on activity trends both prior to the pandemic and also being seen currently. It also assumes 6% leavers per month based on activity prior to the pandemic, which it is assumed activity levels will return to in the next few months. There is also a target to reduce older people's residential during 22/23 to reflect front door / practice improvements equating to 12 clients (1 per month through 22/23 only) giving part year savings 22/23 then in full 23/24).	2.027	-0.466	0.625	**2.186**
2022/23 Pressure	AH&Wb	Community Equipment	Financial pressure shown is based on 21/22 monitoring information which shows a £468k overspend which is included here as being an ongoing pressure reflecting recent invoices paid with increased costs due freight, delivery, prices and activity. In 22/23 this is anticipated to be offset by service review expected to yield estimated savings for both the Council and Doncaster Clinical Commissioning Group (CCG) of £340k in 22/23 and £110k in 23/24, with the council share being £140k in 22/23 and £55k in 23/24. The review work will also further consider recharges to Dedicated Schools Grant (for children's education related expenditure) and health contributions as well as required retender of contract.	0.328	-0.055	0.000	**0.273**
2022/23 Pressure	AH&Wb	Digital Switchover - Home Alarm Service	This pressure relates to Home Alarms Service equipment and installation which may be done over 1-3 years and cost estimates included reflect 1 year installation with £210k reflecting estimated additional cost of SIM card required (may also be additional ongoing equipment costs but this is still being investigated).	0.000	0.079	0.133	**0.212**
2022/23 Pressure	CW	People at the Heart of Care'	Funding has been identified, which will be held centrally to provide for future financial risks in relation to the impact of the Government's White Paper on Adult Social Care, 'People at the Heart of Care'. Although nationally funding has been announced for future years, at this stage individual allocations have not been notified for 2023/24 onwards and it is not possible to quantify the financial impact with any certainty. In addition, due to the scale of the changes and overall budgets involved, the potential funding gap could be considerable.	1.224			**1.224**

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				£'m	£'m	£'m	£'m
2022/23 Pressure	CR	Housing Benefit - Exempt Properties, Homeless Accommodation & Overpayment Debt Income	Supported Accommodation classed as an Exempt Property does not attract full housing benefit (HB) subsidy and so is a cost to the Council £100k; Homeless Accommodation does not attract full HB Subsidy, this is currently a budget pressure in 2021/22 and nil impact is assumed for 22/23; Reducing levels of overpayments, therefore additional income is not being received via HB Subsidy and so is a cost to the Council £352k; Bad debt provision for outstanding overpayment debt may need to be increased as more claimants transition over to Universal Credit (administered directly by Department for Works & Pensions), with debt being harder to recover £100k.	0.552			**0.552**
2022/23 Pressure	CR	ICT - Cyber prevention	Creation of a dedicated Cyber Security Team, with an investment in specialist cyber incident response expertise, to ensure the Council and Partners' resilience against cyber-attacks is strengthened and will be actively ready to respond. There is an ever increasing risk of cyber breaches which requires new processes to be implemented, output to be more visible and assurances provided on a more regular basis.	0.247			**0.247**
2022/23 Pressure	CR	Various	Previous pressures that cannot be achieved in the current environment including £80k legal, £38k Personal Assistant review and £45k supplies and services. Additional pressures have also been identified for £55k DIPS team, £100k Inpress unachievable income target and £145k shortfall against corporate Health & Safety income target.	0.463			**0.463**
2022/23 Pressure	CR	Apprenticeships	Expanding the Council's award winning apprenticeship programme to support further utilisation of apprenticeships across targeted areas within the organisation, in particular where we are experiencing hard to fill roles or where further training and skills development is needed. The additional funding will assist in meeting employment costs to increase the number of placements offered for both new Entry Level (ELA) and Higher and Degree (HDA) level apprenticeships. This additional capacity will enable the Council to meet the needs of its workforce planning requirements (skills gaps), offer a vital first step on a career ladder for new entrants and ensure that apprentice levy spend is maximised and return on investment. Apprenticeships are a vital recruitment channel to help equip individuals with the necessary skills, knowledge and behaviour they need for specific job roles, future employment and progression.	0.750			**0.750**
2022/23 Pressure	CR	Local Assistance Scheme	Increase to the Local Assistance Scheme budget in 2022/23 using COVID-19 emergency funding. This increase means the total budget will be £750k. The Local Assistance Scheme mainly provides help with daily living expenses (food, utility, clothing vouchers) and furniture/white goods mainly for those resettling from a period of homelessness, etc. General eligibility criteria is that applicants must be over 16, live in Doncaster and be in receipt of a means-tested benefit. They must also have no other form of immediate financial assistance available, for example, family, friends, employer, savings or other available funding.	0.450	-0.450		**0.000**
2022/23 Pressure	CW	Service Improvement	Creation of an ongoing budget to be allocated to services based on business cases demonstrating that additional investment will produce improved outcomes for local people. The move to a localities based model is likely to generate investment needs.	0.750			**0.750**
2022/23 Pressure	CW	Costs of Disposal	By statute, the Council can use up to a maximum of 4% of capital receipts generated in year to fund the revenue costs of disposal. There has been an estimated shortfall on capital receipts required to fund the capital programme for a few years so there are insufficient receipts available to transfer to revenue to offset the costs of disposal.	0.170			**0.170**

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				£'m	£'m	£'m	£'m
2022/23 Pressure	CW	Locally Agreed Council Tax Reliefs	Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, gives the council additional discretionary powers to reduce the amount of Council Tax payable for individuals, or for classes of council taxpayer. This includes the power to reduce the amount payable to nil. The full cost of awarding any Section 13A reductions must be met by the Council from its General Fund. The Council must therefore balance the need of the individual council payers requiring support against the interests of the council tax payers generally. On 25th January 2018, full Council approved a scheme providing 100% exemption from the payment of Council Tax from 1st April 2018 to care leavers who: a. have left the care of Doncaster Council; b. are resident and otherwise liable to pay Council Tax in Doncaster for a property they occupy as their sole or main residence; and c. are under 25 years of age. The number of qualifying care leavers is expected to increase each year therefore increasing the cost each year (the estimated cost in 21/22 is £131k).	0.046	0.059	0.079	**0.184**
2022/23 Pressure	DCST	Previously agreed savings	Previously agreed savings targets of £2.917m in 2022/23 and £1.092m in 2023/24 approved in the 2021/22 budget setting, which are no longer achievable due to a number of factors, including the impact of the Covid pandemic.	2.917	1.092	0.000	**4.009**
2022/23 Pressure	DCST	Care Ladder	Pressures (including some Covid pandemic related) on the Care ladder and delays in the delivery of the Future Placements Strategy - Previous MTFS assumed there would be 43 OOA (Out of Authority) placements at 1st April 2021 but actual numbers were 56 therefore carried significant budget pressure into 2021/22. The Care Ladder is forecast to be £5.65m overspent at the end of financial year 2021/22 to the budget roll forward into 2022/23. The significant pressures are: OOA placements £3.47m; at the end of November 2021 there were 57 OOA placements which are forecast to reduce to 43 by end of March 2022. External CiC 16+ placements £1.432m; at end of November there are 16 expensive packages. Fostering £1.132m; at the end of November there are 380 foster placements, split 43.7% IFA (Independent Fostering Agency) and 56.3% In-House Fostering; the original target for March 2022 was 35% IFA and 65% In-House Fostering. The Trust's latest MTFS assumes by end of March 2022 the split is 41% / 59%. As detailed in the 2021/22 monitoring information, Covid has impacted on the financial position, however evidencing the specific impact is complex and it is difficult to qualify the direct costs. Therefore, high level assumptions have been utilised to identify the additional costs of Covid i.e. 50% of the 2020/21 net increase in OOA placements numbers and other assumptions with regard to specific areas of the care ladder.	4.629	0.000	0.000	**4.629**
2022/23 Pressure	DCST	Corporate	Various pressures on corporate budgets including additional funding required for legal caseloads and court costs, which then reduces in future years (but Public Law Outlines increase) 22/23 £210k, 23/24 -£35k, 24/25 £-75k. Increased ICT costs following the implementation of the Mosaic system £80k, efficiency role £32k and 21/22 approved saving of £85k reduced to £40k due to MASH (Multi Agency Safeguarding Hub) being on Colonnades 1st floor, and need for locality offices and Civic recharges 22/23 £45k. Of which, some of these pressures have also been impacted by Covid.	0.367	-0.035	-0.075	**0.257**

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				£'m	£'m	£'m	£'m
2022/23 Pressure	DCST	Operations	Full-year effect of previous decisions providing the ongoing baseline funding, including: Fostering Panel Manager permanent £58k to oversee fostering panels and decisions 2021/22 Service restructure (Child Protection/Children in Care Service Manager + Homes Service Manager + Permanence & Sufficiency Service Manager) £101k - revised structure to respond to current demands Case Progression Manager permanent, additional funding for 23/24 £55k Mockingbird additional costs 22/23 £29k, 23/24 £3k - costs of the model of supporting foster carers Keys To Your Future staffing 22/23 £25k - as the programme develops (with significant savings) admin resource to oversee 14-16 children in new homes Agency rate increase in 2021/22 continuing 22/23 £70k, 23/24 -£20k, 24/25 -£10k Kinship Carer permanent 22/23 £50k to promote SGOs (Special Guardianship Orders) and ensure children are only looked after while assessments are undertaken Homes Manager made full-time 22/23 £25k reflecting Ofsted requirements Additional Return Home Interviewer post (Grade 7) 22/23 £27k to support return home work, ensuring that practice remains high and focused. Additional funding for central support in relation to Unaccompanied Asylum Seeking Children (UASC staffing costs) in 22/23 £102k, to provide for costs not expected to be covered by the government grant. All these posts are linked to improving outcomes for children, young people and families, particularly around permanence. In addition to better social care outcomes they also contribute to financial savings identified in the Care Ladder	0.487	0.038	-0.010	**0.515**
2022/23 Pressure	DCST	Operations	Providing additional ongoing funding for the DANS (Domestic Abuse Navigators) in 22/23 to support increased and ongoing work around domestic abuse, which has seen an increase during the Covid pandemic.	0.142			**0.142**
2022/23 Pressure	DCST	DfE Funding Reduction	Previous medium-term financial strategy assumed Department of Education (DfE) funding to be received by the Children's Trust was £0.7m in 2022/23 & £0 in 2023/24. No grant will be received after 20/21, therefore funding gap of £0.7m for 2022/23.	0.700	-0.700		**0.000**
2022/23 Pressure	E&E	Strategic Asset Management - Car Parking Leases	Restructure of one of the car park leases and termination of the other will lead to loss of rent of £262k. Options around future use of the car parks will be considered as part of the car parking strategy.	0.262			**0.262**
2022/23 Pressure	E&E	Strategic Asset Management - Unachieved saving and pressure relating to Savoy cinema and units.	The pressure relates to the Savoy cinema and restaurant units, £339k of the pressure is due to the unmet Income target of the anticipated rental from the Savoy Cinema and Restaurant units. £119k is a further pressure arising from service charges, business rates and other holding costs which will be incurred whilst the units are not in lease, this includes £42k service charge for the Savoy Cinema which was not built into the lease agreement.	0.458	-0.081		**0.377**
2022/23 Pressure	E&E	Strategic Asset Management - Review and Release of assets saving	The pressure is as a result of the unmet saving relating to the review and release of assets savings target, specifically relating to Colonnades £53k. As well as the unmet saving there is a future pressure from the associated service charge, business rates and holding costs £48k.	0.101			**0.101**
2022/23 Pressure	E&E	Strategic Asset Management - Other rents.	Pressures from unrealised income from rent, service charges, business rates, holding costs and dividends may improve if units secure tenants. The pressure currently assumes that no progress is made in letting the vacant properties in the foreseeable future, if properties were leased the position would improve inline with individual lease negotiations.	0.197			**0.197**

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				£'m	£'m	£'m	£'m
2022/23 Pressure	E&E	Strategic Asset Management - Travis Gardens.	Pressure relates to open ended holding costs pressure whilst awaiting the identification of a long-term service provider or reconfiguration of the Travis Garden building. The pressure currently assumes that no progress is made on this issue in the foreseeable future.	0.020			**0.020**
2022/23 Pressure	E&E	Regulation and Enforcement - Hatfield Colliery	The review of options for site security are continuing. Dialogue and negotiations with the developer are aiming to reduce the impact on DMBC budget aligned with proposals and timelines for the sites development. Further legal advice has been taken and we have discussed the developer's intentions and obligations with them. At this time the costs continue but it is intended to formally notify the developer of our position in relation to security costs once their proposals for future site access have been confirmed.	0.150			**0.150**
2022/23 Pressure	E&E	Sustainability Unit	Continuing the additional funding for the Sustainability unit.	0.088			**0.088**
2022/23 Pressure	E&E	Street Scene - Tree Team	Tree team is experiencing significant workload and resourcing pressures from mapping trees on to the tree system, prioritisation of income generating work and impact from implementation of tree policy. Increased capacity required to overcome existing pressures and plan for future workloads including the Council's aims and objectives in respect of sustainability, biodiversity, carbon reduction and air quality in response to the Climate and Biodiversity Emergency. Create five additional full-time permanent posts and to make one existing full-time temporary post into permanent posts and non-pay costs. This is based on current business case from the service which is subject to further review. Section 3 of the Health and Safety at Work Act 1974 places general duties on Doncaster Council to do all that is reasonably practicable to ensure that people are not exposed to risk to their health and safety. This includes the risk of harm from trees growing on its land. Guidance from the Health and Safety Executive (SIM 01/2007/05 Management of the Risk from Falling Trees or Branches) in respect of this duty advises that whilst it is not necessary to individually examine each tree on a regular basis, for trees in frequently visited areas, a system for periodic, proactive checks is appropriate.	0.228	-0.010		**0.218**
2022/23 Pressure	E&E	Regulation and enforcement - car parking	Pressure due to continued reduction car parking income which includes: Multi-storey car park (MSCP) £187k, On street parking £47k, fines £50k and Chamber Road £89k- Significant drop in customers since Doncaster Council staff working from home.	0.373	-0.105		**0.268**
2022/23 Pressure	E&E	Waste Collection	Pressure due to the increase in quantity of bins collected (black, blue and green). No inflation has been applied to the quantity of bins since the contract began. Since the contract started in 2018 usage has increased as follows; 240 litre domestic bins increased by 2,336 at £1.84 per lift/fortnight is £52k per year, Recycling bins increased by 2,571 at £1.30 per lift is £40k per year and 1,827 green bins at £1.04 per lift is £23k. There are other various increases to other sized receptacles collected for each type of waste.	0.150	0.035	0.035	**0.220**
2022/23 Pressure	E&E	Street Scene - Income	Street Scene have a number of income targets that can't be achieved:- Woodland Grant Scheme £30k - Saving target applied several years ago with the hope of being able to make £30k a year from the sale of trees removed. Target deemed far too ambitious and rarely do we make money from the sale of timber. Football pitch hire/event income - reduction in demand £15k. Graffiti Income - shortfall against income target £15k Ad hoc cleanse, grounds and tree works £50k - Less fee generating work being undertaken due to capacity issues as busy completing the statutory work.	0.103			**0.103**

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				£'m	£'m	£'m	£'m
2022/23 Pressure	E&E	Property Services - Statutory Planned Maintenance (SPM) - New essential IT software	New Software Licence: Health and Safety Building Management Compliance Software. This covers a streamlined reporting process for Statutory Compliance issue (Asbestos/Legionella/Fire, Gas & Electrical safety etc.). This mirrors the process undertaken in St Leger Homes (SLHD) as part of the Grenfell actions on health & safety matters and brings together data recording into a single dashboard with actions for each building (manager) and each activity area. The software will replace a series of spreadsheets and other software platforms. All information is currently held in isolation from other datasets and held within either SPM or Health & Safety teams.	0.040			**0.040**
2022/23 Pressure	LOSC	Special Educational Needs (SEN) Transport - Demand pressure	Estimate of 22/23 demand pressure based on full year effect of additional growth identified in quarter 2 of 21/22 monitoring projections. The new September 2021 routes have now been set up and at Q2 the projected outturn increased by £157k from Q1, this is mainly due to growth in college placements, with some increases to an out of authority college but also many pupils returning to college after studying from home for the most of last year. The estimate for 22/23 doesn't anticipate the large in year growth for college placements we have seen this year. 23/24 assumes half the level of growth compared to 22/23 and 24/25 assumes no growth in line with service expectation that the number of children with Education, Health and Care plans go up 10% in 22/23, then only 5% in 23/24 & 0% in 24/25. Also future plans for children with Social, emotional and mental health (SEMH) needs and locality provision may have impact positively on need for transport.	0.400	0.120	0.000	**0.520**
2022/23 Pressure	LOSC	Special Educational Needs (SEN) Transport - Prior year savings targets	Budget savings were identified for 20/21 onwards and the following elements are no longer deliverable: -£77k in relation to staff savings unachievable due to demand increases and need for internal transport provision requiring drivers, escorts and business support to be maintained. -£152k in relation to Pupil Referral Unit (PRU) children taxi usage being replaced by bus passes however numbers of children with Education Health and Care Plans (EHCP) has increased and ongoing need for Maple Mulberry children. This increase is in line with the increase in demand seen by other LAs and is reflective in the national as well as regional figures. Where children are of primary age, there is a statutory requirement to provide transport arrangement for journey's over 2 mile. Where possible bus passes will be issued thus reducing the pressure on transport allocations financially where possible. This saving has been re-profiled to be achieved in 2 years time, from Sept 23 (therefore £76k of saving target expected to be achieved in 23/24 and remaining £76k in 24/25). -£112k delayed saving, to be achieved across future years, in relation to travel assessment and Independent Travel Training work restarting post COVID.	0.341	-0.153	-0.111	**0.077**
2022/23 Pressure	LOSC	Children with Disabilities placements	There were 4 new Out of Authority (OOA) placements in 2020/21 & in 2021/22 1 placement has moved from In House Fostering to OOA which has led to a significant budget pressure. As part of the Future Placements Strategy a feasibility study is being carried out as to whether Oaklands can be repurposed to provide internal beds, 2 for permanent placements and 1 for shared care placements, to enable children to be brought back to the borough and/or provide capacity for future years growth. The placements modelling assumes the internal beds are operational by October 2022; factors in when the current cohort of children with disabilities turn 18 (and leave this service area), and assumes annual growth of 2 in OOA, 1 with an Independent Fostering Agency (IFA), and 1 In House Fostering (DCST) in 22/23 and 23/24, and in 24/25 1 growth in OOA and no growth in IFA or In House Fostering (DCST).	0.581	0.089	-0.241	**0.429**

Proposal	Director	Service / Pressure Proposal	Proposal Narrative (including potential impact on service outcomes and any mitigating actions)	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				£'m	£'m	£'m	£'m
2022/23 Pressure	LOSC	Short Breaks	The original savings target for Short Breaks was £600k; of which £100k was achieved in 2020/21 from turnover in existing packages (packages reducing, service leavers). The remaining £500k was to be achieved from the commissioning of a new over night provision as part of the Future Placements Strategy. The proposal is for the existing over night provision at Oaklands to be refurbished into a 4 bed unit and still provided by DCST delivering a £250k saving; £250k short of the original target with no other options to achieve this saving. In 2021/22 the Short Breaks budget is also projecting an over spend due to increases in existing packages and growth, as a direct result of the pandemic and the challenges faced by families in managing complex needs; the assumption is £100k is needed for this in 2022/23.	0.350	0.000	0.000	**0.350**
2022/23 Pressure	LOSC	Buy Doncaster Team	Providing the ongoing base budget for the Buy Doncaster system (traded services to schools)	0.021	0.000	0.000	**0.021**
2022/23 Pressure	Public Health	Doncaster Culture & Leisure Trust (DCLT)	The COVID pandemic means DCLT continue to operate with reduced levels of income. The 21/22 budget proposals included additional funding to support DCLT through this period. The support needed is less than expected when the 21/22 budget was set so the additional funding in 22/23 can be reduced by £0.4m, whilst still providing the necessary funding required.	-0.400	0.400		**0.000**
2022/23 Pressure	CW	All services	When the budget was approved in 2021/22 an assumption was included for future pressures of £2m in 2022/23 and £2m in 2023/24. Following the identification of specific pressures for 2022/23 the assumption for general pressures has been reduced to zero. A further £2m has also been added for 2024/25.	-2.000		2.000	**0.000**

Budget Proposals Approved in 2021/22

Appendix C

Proposal	Director	Service	Saving Proposal	Saving Option	2022/23 £'m	2023/24 £'m	2022/23 - 2023/24 Total £'m
				Total	-£5.361m	-£0.926m	-£6.287m
2020/21 Saving	AH&Wb	Adult Social Care	Social Care Fees and Charges	**Fairer and more consistent Social Care Fees & Charges:** The Council's approach under the national Fairer Charging framework needs to be updated so it is both clearer and more consistent, while continuing to protect those in greatest need.	-0.520		-0.520
2020/21 Saving	CR	Finance	Revenues and Benefits Structure	**Changes arising from introduction of Universal Credit;** The savings are based on the continued reduction in Housing Benefit claims and change events from new claimants migrating to Universal Credit allowing service delivery that reflects the changing environment. This will also significantly reduce the number of Housing Benefit overpayments raised and associated recovery work. Existing Housing Benefit claimants are also expected to be moved over to Universal Credit starting from 2020 through to 2023. The 21/22 proposals also include the impact of further system development and other digital improvements	-0.051		-0.051
2020/21 Saving	CR	Finance	Structure Changes within Financial Development and Business Support	**Structure Changes**; The savings will be delivered through the operation of a lean model, focusing on the following priorities:- 1. Essential services to an acceptable value for money level; 2. Value added services e.g. services delivering high return on investment. A proportion of the savings will be delayed to 2022/23, providing additional one-off improvement capacity including invest to save projects aimed at enabling savings elsewhere in the Council or improving internal processes to help reduce the risk of backlogs with the reduced staffing levels	-0.100		-0.100
2020/21 Saving	CR	Finance	Financial Management Structure	**Structure Changes;** The savings for Financial Management will be released by creating a flexible workforce that can be deployed to areas of priority whilst continuing to deliver key specialisms and retaining valuable experience. The service delivery has been redefined to ensure that the skills and finance expertise is targeted where required and managers are provided with the necessary skills/information to carry out their duties i.e. providing the projections for low risk budgets	-0.035		-0.035
2020/21 Saving	CR	HR, Comms and Exec Office	HR&OD Structure	**Structure Changes;** Human Resources and Organisational Development service offer will be reviewed. Focus will be on providing a professional, highly knowledgeable service with staff who are multi-skilled and can transfer between disciplines as required. Functions will be assessed to ensure they deliver value for money whilst supporting achievement of outcomes for services	-0.047		-0.047
2020/21 Saving	CR	Legal and Democratic Services	Service Delivery Change	**Structure Changes;** Savings will be achieved through greater efficiencies, better use of technology and reassignment of work. As the Council shrinks in line with reducing budgets and adopts a revised operating model the need for some core legal services will reduce	-0.110		-0.110
2020/21 Saving	CR	Customers, Digital & ICT	Review of Mobile Phones and Data Connections	**Review of Mobile Phones and Data Connections** the aim to reduce this cost by 10% each year through to 2022/23	-0.038		-0.038
2020/21 Saving	CR	HR, Comms and Exec Office	Communications Structure	**Structure Changes;** Resizing and reprioritising the communications and engagement and support team activities	-0.047		-0.047

Proposal	Director	Service	Saving Proposal	Saving Option	2022/23 £'m	2023/24 £'m	2022/23 - 2023/24 Total £'m
2020/21 Saving	CR	HR, Comms and Exec Office	HR Shared Service	Further savings negotiated from our payroll provider	-0.020		-0.020
2020/21 Saving	CW	Cross-cutting	General Efficiencies	General efficiencies	-0.152		-0.152
2020/21 Saving	E&E	Strategic Asset Management	Savings from Capital Scheme Delivery	Income arising from commercial decisions and previously approved capital schemes	-0.189		-0.189
2020/21 Saving	CW	Senior Management	Senior Management Review	**Reduction in senior managemen**t to reflect revised operating structure of the organisation and working with partners (Directors, Assistant Directors and Heads of Service)	-0.200		-0.200
2020/21 Saving	CW	Council-wide	Consolidation of Common Functions	**Review options to consolidate common functions across Doncaster service delivery partners** to join up services remove duplication and reduce overheads and deliver increased efficiencies	-0.050		-0.050
2020/21 Saving	CW	Council-wide	Increased dividend	**Increased dividend** from the Yorkshire Purchasing Organisation (YPO) from 2022/23 based on their latest business plan following YPO's purchase of Findel Education.	-0.150		-0.150
2020/21 Saving	DCST	Social Care - Placements	Care Ladder	The Care Ladder savings included in the MTFS approved in 2019 totals £1.6m. The main factors affecting this net saving arise from a reduction in Children in Care from 530 to 500 as well as the joint DMBC / DCST Future Placements Strategy. The intended impact of the Strategy includes ensuring as many children and young people are placed within the borough as possible, as well as increasing the Trust's own foster carers and children's homes, producing better outcomes for Doncaster children, young people and families. The budgeted reduction in costs can be affected by a small change in Children in Care numbers and partnership activities.	-0.328		-0.328
2020/21 Saving	DCST	Dedicated Schools Grant (DSG)	DSG	Dedicated Schools Grant (DSG) High Needs Block - savings totalling £532k across financial years 2020/21 - 2022/23 from the Out of Authority (OOA) savings (Ref CT1) will not be general fund savings; these will be savings to the Dedicated Schools E9Grant (DSG) High Needs Block as they relate to the reduction in costs of Education packages for Looked After Children. This is a much needed saving as there are currently considerable budgetary pressures on the High Needs Block.	0.265		0.265
2020/21 Saving	DCST	Corporate	Pension Deficit	DCST is required to fund its pension deficit over the next 3 years: 20/21 £0.135m, 21/22 £0.138m and 22/23 £0.142m.	0.004		0.004
2020/21 Saving	E&E	Environment	Rewild Project	**Rewild Project** - This project will see grass verges throughout the Borough that are currently close mowed on a regular basis, supported by additional tree and bulb planting to enhance green assets borough wide to support biodiversity and climate change mitigation. These extra planting measures could access external funding to offer a sustainable, high value and robust environmental solutions. By making better use of these assets and natural resources will enable this saving to be achieved. Highway sight lines would not be impacted by this saving option. Consultation to be undertaken.	-0.020		-0.020
2020/21 Saving	LOSC	LOSC	Strategic Travel Assistance Review	**Travel Assistance** - Doncaster Council is currently undertaking a Travel Assistance Review. The review is focussed upon supporting Doncaster's children and young people to become independent travellers where this is possible. The council will consult with families about their travel assistance needs including: independent travel training, allowances to provide appropriate support and assistance for children and young people to education settings, whilst also ensuring that transport is available for those who most need it. The Travel Assistance Review will take into account the views of families to ensure these are encompassed in the future delivery model.	-0.049		-0.049

Proposal	Director	Service	Saving Proposal	Saving Option	2022/23	2023/24	2022/23 - 2023/24 Total
					£'m	£'m	£'m
2020/21 Saving	PH	Public Health	Exit Expiring Contracts	Review the service offer that addresses the health and wellbeing needs of vulnerable groups as part of developing a more sustainable relationship with Voluntary, Community, Social Enterprise and Faith sector partners.	-0.050		-0.050
2021/22 Saving	CR	Directorate Wide	Staffing	Staffing saving - service provision reviewed and savings generating from removing posts in the structure, along with use of one-off funding to facilitate the savings.	-0.145		-0.145
2021/22 Saving	E&E	Highway Operations/Safer Roads & Highway Network	Additional Income	Additional income from charging staff time to new external infrastructure funding streams covering Highway Operations, Safer Roads and Highway Network.	0.220		0.220
2021/22 Saving	E&E	Regulation and Enforcement	Hatfield Colliery	Review options for site to release security budgets.	-0.100		-0.100
2021/22 Saving	DCST	DCST	Previously approved savings	Previously agreed General Fund savings targets of £0.122m in 2021/22 and £0.063m in 2022/23 as part of 2020/21 budget setting that won't be achieved.	0.328		0.328
2021/22 Saving	DCST	DCST	Previously approved savings	Previously agreed Dedicated Schools Grant (DSG) savings targets of £0.477m in 2021/22 and £0.265m in 2022/23 as part of 2020/21 budget setting that won't be achieved.	-0.265		-0.265
2021/22 Saving	DCST	DCST	Care Ladder	Care ladder / Future Placements Strategy savings including: - increasing the number of In House Foster carers which will reduce the number of Independent Fostering Agency (IFA's) placements which on average cost £28k more per placement delivering £2.0m savings over the 3 years with £0.8m in 2021/22; and - reducing Out of Authority placements releasing £2.7m over the 3 years, which includes £0.9m savings from opening two bed children's homes in Doncaster.	-1.375	-0.956	-2.331
2021/22 Saving	DCST	DCST	Care Ladder	5% Children in Care (CiC) spike due to COVID-19 included in care ladder - it is envisaged that the majority of children referred as a consequence of COVID-19 will be stepped down; this is reflected in the figures by reducing the 5% to 2.5% during 2021/22, and 1.25% for 2022/23 and 2023/24.	-0.363		-0.363
2021/22 Saving	DCST	DCST	Care Ladder	Covid cost pressure included in care ladder - assumed to continue but to reduce year on year as Out of Authority placements reduce.	-0.052	-0.031	-0.083
2021/22 Saving	DCST	DCST	Agency social workers	Increased agency social worker costs in 2021/22 due to 5% Children in Care (CiC) spike due to COVID-19.	-0.126		-0.126
2021/22 Saving	DCST	DCST	Agency social workers	Reduced social worker agency costs via ASYE growth / retention. A separate Social Worker Academy businses case has been presented to the Council requesting invesment in 2021/22, which will deliver these savings and additional savings in 2022/23 and 2023/24. To be considered against the additional Social Care funding allocated.	-0.150		-0.150
2021/22 Saving	DCST	DCST	Agency social workers	Reduced caseloads in Children in Care (CiC) should impact on a need for fewer agency social workers.	-0.063	-0.063	-0.126
2021/22 Saving	DCST	DCST	Admin savings	Children in Care (CiC) savings should reduce support costs.	-0.042	-0.042	-0.084
2021/22 Saving	DCST	DCST	Gen efficiencies	General efficiencies / VfM: salary sacrifice; pool car, taxis, mobiles, printing; increased income generation.	-0.050		-0.050
2021/22 Saving	DCST	DCST	Corporate	Efficiencies created by teams due to increased confidence in practice, and the changing nature of the information and support needed by teams who have become more self-managing. Need to ensure new IT systems are fully functioning, hence 2022/23.	-0.280		-0.280

Proposal	Director	Service	Saving Proposal	Saving Option	2022/23 £'m	2023/24 £'m	2022/23 - 2023/24 Total £'m
2021/22 Saving	DCST	DCST	Corporate	Reduced corporate costs based upon reduced workloads as Covid impact reduces in 2022/23.	-0.075		-0.075
2021/22 Saving	DCST	DCST	Corporate	Estate savings at 50% over 2 years achieved via co-locating with partners.	-0.341		-0.341
2021/22 Saving	AH&Wb	Quality and Safeguarding (commissioning)	Day Opportunities	Rebasing the budget for previous decision in relation to the Making Space Day Opportunities Contract.	-0.200		-0.200
2021/22 Saving	AH&Wb	Adult Social Care & Communities	Recovery & Improvement Board	Recovery & Improvement Board proposals consist of a mix of service improvements, resource/time savings and cost avoidance measures. These proposals include supporting people through transitions to build better lives which will look to improve support, wellbeing and thereby reduce the risk of breakdown and consequently help prevent long-term placements. An indicative estimate of £350k has been included as a potential saving target resulting from this work over the next 2 years.	-0.250		-0.250
2021/22 Saving	CW	Cross-cutting	Review of Charges to HRA	St Leger Homes have identified efficiencies through improved use of technology and other initiatives, delivering a saving to the HRA for 2021/22, and further efficiencies expected for future years. A review of recharges has identified additional costs which require recharging to the HRA thereby delivering savings to the general fund. These will be phased over the same period to coincide with the St Leger efficiencies, therefore not placing further burdens on the HRA.	-0.333	-0.334	-0.667
2021/22 Saving	CW	Treasury Management	Low Interest Rates	Savings are possible as a result of low interest rates. These rates enable the Council to replace maturing debt at much lower rates. Around £200k of the saving relates to prepayment of pension contributions where PWLB rates were assumed but borrowing has been taken out at lower rates. Reduced interest on investments (due to lower interest rates) has been offset against the saving.	0.240		0.240
2021/22 Saving	CW	Treasury Management	Early redemption premium	Premiums paid for early redemption of debt no longer required.	-0.052		-0.052
2021/22 Saving	CW	Pensions	Pension - former employees	A reduction in pensions paid to former employees. The number of former employees falls every year. The budget in 2020/21 is £5.3m.	-0.150	-0.150	-0.300
2021/22 Saving	CW	Pensions	Pension Surplus	The latest actuarial valuation of the South Yorkshire Pension Fund, covering the 3 years 2020/21-2022/23, resulted in a surplus for Doncaster. When the 2020/21 Council budget was approved the budget for paying off the pension deficit was removed but a surplus budget was not created because the valuation hadn't been finalised. The next actuarial valuation will cover the 3 years 2023/24-2025/26 so the budget will need to be reset in 2023/24.		0.650	0.650
2021/22 Saving	CW	Council-wide	Increased dividend	Increased dividend from the Yorkshire Purchasing Organisation (YPO) from 2022/23 based on their latest business plan following YPO's purchase of Findel Education. Preiously approved in the 2020/21 budget is no longer achieveable.	0.150		0.150

New Budget Savings 2022/23

Appendix D

Ref	Director	Service	Saving Proposal	Saving Option	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
				Total	**-£6.733m**	**-£3.364m**	**-£3.353m**	**-£13.450m**
					£'m	**£'m**	**£'m**	**£'m**
AHW1	AHWB	Building Better Lives	In-house Learning Disability short breaks	Investment in the Council's in-house Learning Disability short breaks provision to reduce the number of short stay placements in the independent sector by 24 per year @ £2k per week.	-0.200			**-0.200**
AHW2	AHWB	Building Better Lives	Reviews	Investment in reviews for people already receiving Adult Social Care support to build on strengths, improving social connections and access to local support and reducing intensity of formal care	-0.463			**-0.463**
AHW3	AHWB	Help People Feel Safe	Safeguarding	Investment in safeguarding practice to increase efficiency and reduce bureaucracy.		-0.042		**-0.042**
AHW4	AHWB	Building Better Lives	Two Carers	Use of moving and handling equipment and training to reduce the number of people who need carers to "double-up" and support personal care needs. A greater proportion of people will be safely supported by one carer which will increase dignity and independence. Expected savings equating to ongoing 416 hours per week reduction (on a total current delivery of c15,000 hours). Assumed delivery of 8 hours reduction per week every week across 2022/23, delivers part year £300k in 2022/23, with £120k addressing a prior years saving, and a further £200k in 2023/24,giving a £380k saving in total.	-0.180	-0.200		**-0.380**
AHW5	AHWB	Building Better Lives	S117 training	Review of process and clarity around chargeable LA disputes through fixed term investment from the Social Care Transformation reserve to resolve with savings based on ongoing costs for known cases.	-0.170			**-0.170**
AHW6	AHWB	Prioritise Home First	Short Term Enablement Programme (STEPS)	Increase capacity within STEPS to increase the number of people being positively supported to return home rather than to short or long-term residential care/support and reduce longer term homecare needs through more timely assessment and support.	-0.037			**-0.037**

Ref	Director	Service	Saving Proposal	Saving Option	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
					£'m	£'m	£'m	£'m
CSW1	DCST	Care Ladder	Care Ladder - OOA, In House Residential & Keys to Your Future	22/23 - Numbers are reduced to 43 by 1st April 2022. 3 x 2 bed homes + 1 x 4 bed home + 1 x 4 16+ home all open by 1st Oct (2 x 2 bed open April 2022 (2 + 2 beds), 1 x 2 bed open June 2022 (2 beds), 1 x 4 bed open August 2022 (4 beds) & 1 4 bed 16+ open October 2022 (4 beds)). Growth of 1 per month. 4 (3 x 2 bed and 1 x 4 bed) homes have already been identified. This will reduce the reliance on OOA (Out of Authority) places and keep children closer to home, families and friends, providing longer-term benefits for the children and young people. 22/23 & 23/24: 2 to Keys to Your Future in Dec 2021 & 2 in Jan 2021 towards OOA numbers being 43 on 1st April 2022. A further 2 in Sept 2022, 2 in Jan 2023 & 2 in April 2023. It is anticipated that the total number of young people in Keys to Your Future will be 16, although the budget assumptions are based on 14 to be prudent. There are also 4 already included in the Children in Care (CiC) 16+ placements assumptions. The Keys to your future has already identified (at Jan 2022) 3 properties ready for occupying and a further 3 potential properties subject to due diligence (out of the 8 required) which will allow us to place young people (aged 16/17) in homes that builds their independence skills as well as reducing the reliance (and cost) of either external OOA placements or in-house residential homes. 23/24 & 24/25 - Assumption is that growth is maintained at an average of 1 additional placement every 2 months. Continuing the focus on prevention and early intervention to reduce the number of children entering care. It is also important to ensure there is joint working across partners and appropriate contributions agreed at the earliest opportunity where appropriate. Risks: Ability to recruit staff to new homes in a competitive jobs market, and potential delays in opening homes due to national fire door shortage Risk: Impact of Covid pandemic continues to impact on care ladder	-1.966	-0.844	-0.681	**-3.491**
CSW2	DCST	Care Ladder	Care Ladder - Fostering	IFA (Independent Fostering Agency)/In House Fostering split is 37.5% / 62.5% by March 2023, 32.5% / 67.5% by March 2024, & 27.5% / 72.5% by March 2025. This will be achieved through dedicated activities and continued focus on recruiting more in-house foster carers and retaining our current in-house foster carers. Ensuring foster carers are properly supported by a named Supervising Social Worker who will carry out visits in line with the Fostering Service’s policy, which is most valued by foster carers. In addition the fostering action plan includes specific actions that will be developed and implemented to ensure the financial offer and support provided is sufficient and rewards our foster carers appropriately. Work is also being undertaken to ensure placements are appropriate, minimising the in-house fostering of younger children. Marketing initiatives and additional resources are being invested, with a new partner identified to work with the Trust on attracting more foster carers, plus funding for additional dedicated roles. There will also be specific targeting undertaken in the recruitment of in-house foster carers. It is expected that this will have a greater impact from mid 2022/23 and 2023/24 onwards due to process of registering foster carers. Continuing the work between Trust and Council communications teams, maximising on all opportunities. In addition, the strategy includes achieving permanence through SGOs (Special Guardianship Orders) and adoption. 22/23 - 1 IFA & 2 In House Fostering to RAA (Regional Adoption Agency), 23/24 - 1 IFA & 3 In House Fostering to RAA, 24/25 1 IFA & 3 In House Fostering to RAA based upon benefits of RAA working, ensuring we maximise on the strategic approach and wider learning, with greater consideration of routes to early permanence. Risk: Impact of Covid pandemic impacts on Foster carers	-0.774	-0.832	-0.681	**-2.287**

Ref	Director	Service	Saving Proposal	Saving Option	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
					£'m	£'m	£'m	£'m
CSW3	DCST	Care Ladder	Care Ladder - CiC 16+ placements	Potential 4 to Keys in Feb 2022 reduces current spend of £3m to £2.4m for 22/23, update on Keys to your future detailed above. A new 16+ home opening reduces the average external 16+ placements to 20 in 23/24 & beyond based upon the increased need for 16+ places. The saving also assumes that Cantley SILS (Semi Independent Living Service) continues with the same regulation status. Risk: National legislation changes to regulation of 16+ homes	-0.559	-0.200	-0.200	**-0.959**
CSW4	DCST	Care Ladder	Care Ladder - UASC/Staying Put/ Allowances (SGO/CAO/AA)	The direct costs incurred in relation to UASC (Unaccompanied Asylum Seeking Children) are assumed to be covered by the specific Home Office grant. However the current numbers are placing considerable additional pressures on the current establishment, therefore in order to continue to meet our statutory requirements additional staffing is required. This will continue to be reviewed in accordance with the additional activities and reduced where appropriate. Risk: UASCs take up places within In-house homes meaning OOA (Out of Authority) numbers do not reduce as predicted Relationships and discussions with Department for Work & Pensions (DWP) have and are taking place to ensure correct funding accessed for Staying Put Housing benefit, resulting in £50k savings per year. SGO (Special Guardianship Order)/CAO (Child Arrangement Order) growth of 30 in 22/23 & 23/24 based upon permanence work and reducing IFA's (Independent Fostering Agency placements), as detailed above. Adoption Allowances full year effect of savings achieved in 22/23 based upon reviews already undertaken and new policy now in place	0.067	0.253	0.130	**0.450**
CSW5	DCST	Staff	Agency Social Workers (SW)	2021/22 additional 3 Agency Social Workers (£200k) expected to reduce to 2 then 0 22/23 £140k, 23/24 -£140k. Reduced Social Worker agency costs via newly qualified Social Workers (ASYE's: Assessed and Supported Year in Employment) growth / retention. 22/23 -£240k, 23/24 -£102k, 24/25 £-51k. The Trust will continue with the Social Worker Academy and pay supplement (for some Social Worker roles) that has seen a c. 2/3 reduction in Social Workers leaving the Trust and attracted 18 to its academy model during 2021/22. It is anticipated that the number of agency Social Workers will reduce to under 10, from a high of c. 40, making significant financial savings and creating better stability for children and teams. The caseload policy will continue to be used to inform the deployment of Social Workers to teams and when we can safely release agency Social Workers. Risk: Impact of Covid pandemic will continue to impact on workloads will require additional Social Workers	-0.100	-0.242	-0.051	**-0.393**
CSW6	DCST	Staff	Business Support	Additional admin due to CiC (Children in Care) full year effect next year and then removed as CiC numbers are expected to once again reduce. Prior to the Covid pandemic the CiC numbers reduced from 593 in September to 506 March 2020, numbers have since increased to 580 in September 2021. The Trust is working on both reducing referrals into the Trust, as well initiatives to move children out of care via permanence work and the resultant plan is to reduce CiC numbers to pre-pandemic levels. VFM (Value for money) review to be undertaken on the investment to inform future ways of working.	0.150	-0.150	-0.042	**-0.042**
CSW7	DCST	Staff	General efficiencies	General efficiencies / VfM (Value for Money): salary sacrifice; pool car, taxis, mobiles, printing; increased income generation, Section 17 Business Development to support income generation of c. £300k 22/23 £50k relating to innovative solutions that can be provided to other children's services (and others) relating to EPIC, Domestic Abuse training and Virtual Reality offer/training Risk: Market does not take-up new offers (linked or not linked to Covid pandemic)	-0.058	-0.213	-0.188	**-0.459**

Ref	Director	Service	Saving Proposal	Saving Option	2022/23 £'m	2023/24 £'m	2024/25 £'m	2022/23 - 2024/25 Total £'m
CSW8	DCST	Staff	Area Child protection Teams	As detailed above, the 21/22 £100k saving has been delayed due to CiC (Children in Care) numbers increasing during the Covid pandemic period and isn't expected to deliver until 23/24. Efficiencies created by teams due to increased confidence in practice, and the changing nature of the information and support needed by teams who have become more self-managing. Embed new IT system during 2022/23. 22/23 £100k, 23/24 -£100k, 24/25 -£55k There is additional one-off funding to enable DCST to have manageable caseloads, whereby social work can flourish, practice can be delivered to a high standard, and managers can have the space and oversight needed to ensure social work support and case progression - ACPS (Area Child Protection Service) Team restructure one-off funding 22/23 £250k, 23/24 -£250k and ACPS Team restructure impact on CiC numbers (reduce 4 agency) reducing to pre-pandemic levels of c. 500-520 - 22/23 -£35k, 23/24-£140k, 24/25 -£105k Social Work Assistant reduction 22/23 -£28k, 23/24 -£28k based upon the need to have higher level skills (Social Workers) in supporting children with more complex lives Risk: Impact of Covid pandemic will continue to impact on workloads will require additional Social Workers Fostering efficiencies 23/24 -£50k to ensure that children can be placed quickly and efficiently with foster carers	0.287	-0.568	-0.160	**-0.441**
LOW1	LOSC	Transport	Transport policy savings	Transport policy changes include: -To remove zero fare bus passes to some pupils who have expressed a preference for a school other than their catchment, nearest available or allocated school. -To remove zero fare bus passes to pupils move address within the Doncaster Area during years 10 and 11. -To ask parents/carers of students with SEND to pay a subsidy for Post 16-19 transport if they are provided with taxi/minibus/accessible transport from home to school or college. To be phased in for all new Post 16 students with effect from September 2023.removal of zero fare Assumes Policy implementation by 31st May 2022 with savings to be achieved from September 2022 and September 2023, subject to seperate key decision being approved.	-0.009	-0.023	-0.036	**-0.068**
LOW2	LOSC	Transport	Transport policy savings	A further potential saving may be realised on Post 16 Transport if students/families opt out rather than pay the contribution for taxi/minibus transport, reducing the number of students supported in this way. This could potentially be 20-30% based on information from other authorities that have put this is place, a prudent estimate for this saving is included at 10% of all current post 16 routes.	-0.019	-0.020	-0.019	**-0.058**
LOW4	LOSC	CAST theatre	CAST subsidy	Reduce the CAST subsidy post pandemic starting with a 1/5th reduction in years 23/24 and 24/25, with further work to determine what is possible starting from 22/23 regards potential match funding with CAST and also in the longer term any requirement around Arts Council funding. Current budget is £365k, assumed £73k cut in 23/24 and £73k in 24/25. The amount may vary subject to discussions on sustainability/market conditions etc.		-0.073	-0.073	**-0.146**
LOW5	LOSC	Strategic Commissioning & Transformation	Post regrade	Savings anticipated in relation to the regrade of a post, no impact on service delivery.	-0.017			**-0.017**
LOW8	LOSC	Education Psychology	Vacancy target	Introduce target to reflect hard to appoint posts - 5% of total staff budget (£1m) assumed.	-0.050			**-0.050**

Ref	Director	Service	Saving Proposal	Saving Option	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
					£'m	£'m	£'m	£'m
LOW10	LOSC	Business Support	Staffing efficiencies	Planned reduction to capacity requirement for Business Support through mini review of team and cultural change, potentially linking with transformation work and efficiencies with partners and support needs of directorate. Saving shown is 10% of £700k net service budget with current vacancies to be reviewed by service as part of review.		-0.035	-0.035	**-0.070**
EEX4	EE	Waste & Recycling	Trade Waste	Increase trade waste customer base and introduce incentives to attract new custom and to cover cost of providing the service. The savings profile reflects the net position after taking into consideration the additional costs associated with growing the service. Risk - Economic downturn/covid recovery has impacted on trade customers. The market place is currently quite unstable, work is required to understand what types of businesses are in Doncaster and changes required to how the Council approves fees & charges to ensure our charges can be altered on a sliding scale to compete with the market place.	0.035	-0.040	-0.055	**-0.060**
EEX5	EE	Waste & Recycling	Waste & Recycling - Reduction in additional cost of Covid	The saving offsets previous pressure identified by the service. The 2021/22 budget setting process allocated additional £1.040m on going budget to the waste and recycling service to fund the continuing burden of the covid pandemic on the service (£0.210m was allocated to support the on-ongoing income expected from the reduction in trade waste customers and £0.830m was allocated to support the increased cost of residential collections and need to operate additional vehicles and crews plus the associated additional cost of waste disposal due to increase in tonnages). Risks - The cost of covid doesn't improve as assumed. The impact of HGV drivers continues. Covid impacts further on the trade waste income.	-0.320	-0.270		**-0.590**
EEX8	EE	Regulation and Enforcement	Airport inspections	Based on the current 21/22 projections for airport inspections, the income being received from airport food inspections is higher than the budget. The income received has been higher for the last couple of years but hasn't been realigned due to the expectation that changes due to Brexit will impact on airport inspections. On the basis their has been no change announced at present the proposal is to increase the income budget to reflect the average levels of income received in 20/21, the additional cost of delivering these inspections will also need to be budgeted for accordingly. The service are expecting a change in the legislation around food import inspections due to Brexit, therefore the increased surplus is only being put forward for 22/23 and should be reviewed again for the 23/24 budget setting process, if no change has still been implemented the budget should be reviewed again. Risk: As more airports become active again post covid the income could reduce if flight numbers reduce as they divert to other airports within the country. Brexit changes may come into force in 22/23 which affect import inspections.	-0.015	0.015		
EEX10	EE	Facilities Management	Running costs after demolition	Funding to demolish Copley House has been secured from the Levelling Up fund. Once the building is sold/demolished the associated building budgets will not be required. The building is due to be marketed for sale in Q4 21/22 and demolition costs may not be required dependant on the nature of bids received. Suggest longstop of end Q3 22/23 and if no progress on a sale / development then buildings are demolished.			-0.027	**-0.027**
EEX11	EE	Facilities Management	Running costs after demolition	Funding to demolish the Central Library has been secured from the Levelling Up fund. Once the building is sold/demolished the associated building budgets will not be required. The building is due to be marketed for sale in Q4 21/22 and demolition costs may not be required dependant on the nature of bids received. Suggest longstop of end Q3 22/23 and if no progress on a sale / development then buildings are demolished. May impact on full year savings for 23/24. Note building remains in use by Heritage (Library) services with expected use to continue to end of Q4 21/22.			-0.117	**-0.117**

Ref	Director	Service	Saving Proposal	Saving Option	2022/23	2023/24	2024/25	2022/23 - 2024/25 Total
					£'m	£'m	£'m	£'m
CWX1	CW	Council-wide	Your ways of Working/ Assets	Progressing 'Your ways of working', utilising the new ways of operating and blended approach to working. This in turn will lead to a rationalisation of our assets, undertaking a structured approach to understand our core assets and those that are peripheral/not required: Phase 1 - Initial high level review has identified a maximum saving based on current running budgets (only) of £588k, this will be further reviewed and specific financial implications confirmed. Phase 2 – Progressing wider across borough wide assets in line with the overall core principles, continuing to support the localities model. Full details to be considered including taking into account the economic impact, where possible.		-0.294	-0.294	**-0.588**
CWX2	CW	Council-wide	Closer working with Partners	Undertaking focused discussions with partners with a view to integrating common functions into the Council and achieving closer working and efficiencies. Initially focusing on one of our cross cutting priorities of nurturing a child & family-friendly borough, ensuring that there is strategic grip and that our children and young people thrive. (High-level estimate included based on £4m budget for Corporate Resources and support functions, part year 22/23 specific posts potential immediately available).	-0.200	-0.200	-0.400	**-0.800**
CWX12	CW	Pensions	Pension - former employees	A reduction in pensions paid to former employees. The number of former employees falls every year. This saving is in addition to the savings approved in the 21/22 budget. The budget in 2021/22 is £5.3m.	-0.259		-0.150	**-0.409**
CWX13	CW	Pensions	Pension pre-payment	Paying pension contributions to South Yorkshire Pensions Authority (SYPA) in advance enables SYPA to make invest the money and make a return. The return is passed back to the Council as a discount which is greater than the interest cost borne by the Council.	-0.300	0.300		
CWX14	CW	Treasury Management	Interest payments	Savings through reduced interest on debt as a result of delaying taking out debt and lower interest rates . How and when the Council borrows money has been reviewed taking into account existing debt, new borrowing for the capital programme, forecast interest rates, and the level of internal borrowing made possible using cash backed reserves and balances. The result is savings can be made in the short-term mainly as a result of being able to delay taking out new debt and replacing existing debt because of the large cash balances currently held. These balances will reduce so the saving can't be sustained into the medium-term. Interest rates are currently low but are assumed to rise slowly over the medium-term.	-0.956	0.605	-0.124	**-0.475**
CWX15	CW	Cross cutting	Fees & Charges	Increase in income from fees and charges based on a 3% increase with exceptions and new fees discussed elsewhere in the report.	-0.290	-0.100	-0.100	**-0.490**
CRX1	CR	All	Various efficiencies	General efficiencies to be delivered including returning storage contract in-house, implementing the new lone worker system and electronic system for reporting vehicle defects, contract savings, rationalisation of multi-functional devices and mobile phones.	-0.163	-0.141		**-0.304**
CRX2	CR	Finance	Post Reductions	Post reductions to be delivered through improved working practices and better use of technology across the service.		-0.050	-0.050	**-0.100**
CRX3	CR	Legal	Income	Increasing income budgets to reflect current levels of income for registrars, land charges and property in line with current trends - charges set nationally and already over achieving. Also increasing income target for information governance and litigation from schools / St. Leger Homes also in line with current trends.	-0.082			**-0.082**
CRX4	CR	CD&IT	Revenues & Benefits	Reduction in posts - reliant on implementation of new technology.	-0.085			**-0.085**

Appendix F

Grants to 3rd Sector Organisations

Directorate	Grant Recipient	Service Provided/Update	2020/21 Budget	2021/22 Budget	2022/23 Budget	Note
A,H&WB	**Citizens Advice Bureau** (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.	152,150	152,150	152,150	No change proposed for 2022/23.
LOSC	**Doncaster Community Arts (DARTS)**	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 2022/23. 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.
A,H&WB	**Fit Rovers**	Funded allocated from Public Health the Fit Rovers health and wellbeing programme will complement the current healthy weight portfolio and provides a frontline initiative for males and females around weight reduction and behaviour change approaches	60,000	60,000	60,000	No change proposed for 2022/23.
A,H&WB	**Voluntary Action Doncaster**	Funding allocated to enable increased capacity for the Inclusion & Fairness Forum (I&FF) Leadership team, funding for activity, research, events and insights as well as funding for a Support officer role	25,000	75,000	50,000	
A,H&WB	**Voluntary Action Doncaster**	Funding allocated to deliver a Co-operative approach to sharing skills, knowledge and volunteer recruitment that provides a level of infrastructure support	66,980	63,000	150,000	
A,H&WB	**The Reader**	Funded through Well Doncaster to recruit volunteers to sustain six Shared Reading groups in Doncaster	7,000	7,000	18,000	Increased for 2022/23
Total Grants to 3rd Sector			**354,630**	**400,650**	**473,650**	

Appendix G

Fees & Charges Summary of Exceptions 2022/23

Service	Detailed Charge	Proposed Charge from 1st April 2022	% Change	Explanation for the exception to the 3% overall increase
Bereavement (Memorials)	Standard black granite wedge or memorial granite stone	£520.00	16.59%	To reflect the increased cost of materials
	Small square black granite plaque (SPGR section)	£344.00	11.69%	To reflect the increased cost of materials
	Granite leaf on willow tree - 5 years	£130.00	4.00%	Increased to cover the costs of delivery
	Book of Remembrance - inscription per line	£41.00	5.13%	Increased to cover the costs of delivery
	Granite plaques on scatter monument or barbican 10 years	£350.00	-20.81%	
	Granite plaques on scatter monument or barbican renewal 10 years	£200.00	-48.85%	Reduction proposed to ensure continue to recover costs, at a level that
	Granite plaque on wishing well 10 years	£250.00	-1.96%	generates income.
	Granite plaque on wishing well renewal 10 years	£200.00	-1.96%	
	Rose tree - 5 years	£320.00	8.47%	
	Rose shrub or miniature shrub - 5 years	£165.00	6.45%	Increased to cover the costs of delivery
	Metal vases for cemetery/crematorium plots	£20.00	81.82%	Increased to cover the costs of delivery
Building Control	**Any extension of a dwelling with an internal floor area of which does not exceed 10m². that extension**			
	Amount of Plan Charge	£218.00	9.00%	As a result of benchmarking with private sector building control who carry out
	Amount of Inspection Charge	£170.00	8.97%	work within the Doncaster Borough and who typically charge 50% more than the
	Building Notice or reservation Charge including VAT	£388.00	8.99%	Council in these categories of building work. Whilst the public still have a choice
	Amount of Regularisation Charge (No VAT)	£388.00	8.99%	on their service provider our fee increase will allow us to maintain a high quality
	Any extension of a dwelling with an internal floor area between 10m² and 40m²			comparative service at a very competitive rate.
	Amount of Plan Charge	£218.00	9.00%	
	Amount of Inspection Charge	£337.00	9.06%	
	Building Notice or reservation Charge including VAT	£555.00	9.04%	
	Amount of Regularisation Charge (No VAT)	£555.00	9.04%	
	Any extension of a dwelling with an internal floor area between 40m² and 60m².			
	Amount of Plan Charge	£218.00	9.00%	
	Amount of Inspection Charge	£448.00	9.00%	
	Building Notice or reservation Charge including VAT	£666.00	9.00%	
	Amount of Regularisation Charge (No VAT)	£666.00	9.00%	
	Any extension of a dwelling with an internal floor area between 60m² and 100m².			
	Amount of Plan Charge	£218.00	9.00%	
	Amount of Inspection Charge	£525.00	8.92%	
	Building Notice or reservation Charge including VAT	£743.00	8.94%	
	Amount of Regularisation Charge (No VAT)	£743.00	8.94%	

Service	Detailed Charge	Proposed Charge from 1st April 2022	% Change	Explanation for the exception to the 3% overall increase
	Any alteration of a dwelling creating one or more rooms in roof space, including means of access.			
	Amount of Plan Charge	£218.00	9.00%	
	Amount of Inspection Charge	£359.00	9.12%	
	Building Notice or reservation Charge including VAT	£577.00	9.07%	
	Amount of Regularisation Charge (No VAT)	£577.00	9.07%	
	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.			
	Amount of Plan Charge	£189.00	9.25%	
	Building Notice or reservation Charge including VAT	£189.00	9.25%	
	Amount of Regularisation Charge (No VAT)	£189.00	9.25%	
	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.			
	Amount of Plan Charge	£278.00	9.02%	
	Building Notice or reservation Charge including VAT	£278.00	9.02%	
	Amount of Regularisation Charge (No VAT)	£278.00	9.02%	
	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.			
	Amount of Plan Charge	£218.00	9.00%	
	Amount of Inspection Charge	£182.00	8.98%	
	Building Notice or reservation Charge including VAT	£400.00	8.99%	
	Amount of Regularisation Charge (No VAT)	£400.00	8.99%	
	Any other domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work exceeds £25,000 but does not exceed £50,000.			
	Amount of Plan Charge	£218.00	9.00%	
	Amount of Inspection Charge	£382.00	9.14%	
	Building Notice or reservation Charge including VAT	£600.00	9.09%	
	Amount of Regularisation Charge (No VAT)	£600.00	9.09%	
	PLANNING & BUILDING CONTROL FEES (TABLE A)			
	Planning & Building Control Fees for Small Domestic Buildings - Table A			
	Plan Charge for one dwelling	£218.00	9.00%	
	Inspection Charge	£504.00	9.09%	

Service	Detailed Charge	Proposed Charge from 1st April 2022	% Change	Explanation for the exception to the 3% overall increase
	Amount of Regularisation Charge (No VAT)	£722.00	9.06%	
Facilities Management	Holmescarr Centre - External room hire per hour	£13.00	0.00%	No change, an increase in price expected to have a negative impact on the number of hires
Adult Day Centres - Transport	Adult Day Centre - Transport per journey	£6.00	20%	Increase in Day Care Transport per journey by £1 as per the 25th February 2020 Cabinet report
Libraries	**Overdue Book Charges**			
	Adult Reader fine (per book per day)	£0.25	25.00%	
	Talking and Audio Books			
	Talking Books (3 weeks loan)	£1.00	11.11%	
	Daily Fine Rate	£0.35	16.67%	
	Books/Recording Requests			
	Charge per card	£0.25	25.00%	
	Replacement Library Computer Tickets			
	Child's second and subsequent replacements	£0.65	8.33%	
	Photocopies			
	A4 Black and White	£0.15	50.00%	
	A3 Black and White	£0.25	25.00%	Previously charges have not been increased due to impact of roundings. These charges are the result of applying the 3% and standardising the charges to the nearest 5p.
	Bulk Copies - 25% discount for over 100			
	A4 Copies from Microfilm	£0.55	10.00%	
	A3 Copies from Microfilm	£0.80	6.67%	
	Fax (Copies per sheet)	£0.00		
	Within UK - first sheet	£1.55	3.00%	
	subsequent sheets	£0.55	10.00%	
	Services for blind and partially sighted people			
	A4 page (hard copy to be scanned and edited) - (Large Print)	£1.10	10.00%	
	Work requiring considerable editing:			
	per hour	£27.00	3.05%	
	plus either Braille Sheet	£0.55	10.00%	
	or Large Print Sheet	£0.30	20.00%	
	Customer Greeting Cards - (Braille)	£0.55	10.00%	
	Local Charity Rate -	£0.55	10.00%	

Appendix G

Fees and Charges Summary of new Fees and Charges commencing in 22/23

Service	Detailed Charge	Proposed Charge from 1st April 2022	Description
Heritage	Car Parking - Cusworth Hall - Annual Pass	£52.00	Annual pass available to Staff and Visitors for access to the car park.
Bereavement	Adult Grave - Exclusive rights for 50yrs - Including headstone permit fee	£1,566.00	This is an additional product line that encompasses 2 existing products (a grave and a headstone permit). It comes about after a number of masons have suggested including the headstone fee in the grave price and writing to the Mayor with this. As a compromise after proposing this previously and having it rejected, we are now proposing it as an option at the time of purchase while also leaving the items listed separately for those that want it that way
	Adult Grave - Exclusive rights for 75yrs - Including headstone permit fee	£1,801.00	
	Grave transfer including drafting a statutory declaration	£95.00	To reflect the time and effort in producing a statutory declaration which is something recently introduced to align is with best practice and reduce the risk of subsequent disputes
	Single photo to show on tribute screens during service	FOC	All new products following the upgrade and implementation of a full multimedia and web casting service at Rose Hill. This is an improvement for the customer and in line with what most modern crematoria now offer. The prices proposed are based on the RRP of the supplier
	Single photo (if supplied late - by 3pm the working day before service)	£18.00	
	Additional single photos to the above (price each photo)	£21.00	
	Slide show - up to 25 photos with simple fade transition	£18.00	
	Professional tribute - as above, set to music and professionally edited in a video style	£70.00	
	Family made video - checking and preparing, then showing during service	£18.00	
	Live webcast in high quality , accessed via Obitus website	£30.00	
	Live webcast as above but with access to saved copy for 28 days	£45.00	
	Keepsake copy of webcast - DVD, Blu Ray or USB	£50.00	
	Additional copies of the above recording (price each copy)	£25.00	
	Downloadable copy of visual tribute	£25.00	
	Additional copies of the above Tribute (price each copy)	£25.00	
Planning	Planning Built & Environment - Environment Information Regulation Fee (per hour) - Planning Services	£42.50	Hourly charge applied when Environmental Information regulation requests are made.

Service	Detailed Charge	Proposed Charge from 1st April 2022	Description
	Planning Built & Environment - Sale of biodiversity units from habitat bank at Torne Valley	£16,500.00	In line with the Environment Act, and the requirement in the Council's Local Plan for development to demonstrate a minimum 10% net gain in biodiversity, the Council is opening a Habitat Bank selling Biodiversity Units. The units are calculated by the Defra Metric 3.0. This charge will be used to fund the restoration and conservation management of habitats at a site in the Torne Valley.
	Planning Development Management - Minerals Fee for Monitoring Mining and Landfill sites - FEES	cost per visit active site £397, cost per visit inactive site £132 - Statutory	Under the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012, mineral planning authorities can charge for a maximum of 8 site visits for monitoring site operations within any 12 month period where the site is operational, or one visit in other circumstances. Additional site visits may be undertaken but they cannot be charged (for example a site with more issues or complexity may need additional visits).
Health & Safety (Courses)	Online Fire Safety Awareness	£37.00	Certain courses are now offered on line as well as in the classroom to ensure service can still operate during pandemic.
	Online Fire Safety Awareness Off site	£200.00	
	Online Fire Warden	£37.00	
	Online Fire Warden Off site	£200.00	

Appendix G

Licensing fees legally required to be set by Full Council (Detailed Charge)

Detailed Charge	Proposed charge 01/04/22
LICENSING - Landlord Licences:	
Selective Licencing Hexthorpe - 01/7/2020 to 30/6/2025 Fixed Term	
DMBC Scheme - All licences granted to 30/6/2025 - New Applicants will need to pay from the historic date when their property became subject to license, until the end of the licensing period	
Year 1 (5 Year licence) 01/7/20-30/06/21	600.00
Year 2 (4 Year Licence) 01/7/21-30/06/22	520.00
Year 3 (3year licence) 01/7/22-30/06/23	440.00
Year 4 (2 year licence) 01/7/23-30/06/24	360.00
Year 5 (1year licence) 01/7/24-30/06/25	280.00
Extra costs incurred, e.g. when additional Correspondence is necessitated due to incomplete applications, will be recovered as an administration charge (per letter)	50.00
Where licence holders can demonstrate that they are a member of a relevant and recognised approved body (e.g. Landlord Association), a £50 discount will be applied to the fee.	
Selective Licensing Edlington - 07/02/18 to 06/02/23 - Fixed term (maximum 5 years)	
DMBC scheme - all licences granted to 06/02/23 - new applicants will need to pay from the historic date when their property became subject to licence, until the end of the licensing period.	
Year 1 (5 year licence) 07/02/18 - 06/02/19	515.00
Year 2 (4 year licence) 07/02/19 - 06/02/20	415.00
Year 3 (3 year licence) 07/02/20 - 06/02/21	330.00
Year 4 (2 year licence) 07/02/21 - 06/02/22	245.00
Year 5 (1 year licence) 07/02/22 - 06/02/23	160.00
Homesafe Scheme	75.00
Extra costs incurred, e.g. when additional Correspondence is necessitated due to incomplete applications, will be recovered as an administration charge (per letter)	50.00
Houses in Multiple Occupation	
Landlord Licence Basic fees (5 person HMO)	840.00
Fee for each additional bedroom	57.50
Licence Renewal fee for 5 bedroom properties, subject to:- Current compliance with the Councils standards & existing licencing conditions; no change to the original occupation of the house; application made before expiry of previous Licence (applications after expiry will be treated as new applications) & Licensee and Manager to carry over from expiring licence.	777.50
Additional fee for Each Bedroom in the house	57.50
Extra costs incurred when additional Correspondence is necessitated due to incomplete applications will be recovered as an administration charge (per letter)	37.00
Property inspection report - immigration & visa	154.50
LICENSING - Other Licences	
Miscellaneous:	
Acupuncturist/Tattooist/Ear Piercing	231.00
Transfer or to Add Person	62.00
Civil Marriage Licence	1,425.00
Approval of Religious premises as a place at which two people may register as civil partners of each other.	970.00
Alfresco Dining License	100.00
Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 New Regs which came into force 1st October 2018	
Selling Animals as Pets (1-3 year licence depending on star rating)	529.50
Providing or Arranging for the Provision of Boarding for Cats or Dogs (1-3 year licence depending on star rating)	466.50
Hiring Out Horses (1-5 Horses) (1-3 year licence depending on star rating)	554.00
Hiring Out Horses (6+ Horses) (1-3 year licence depending on star rating)	756.00
Breeding Dogs (1-3 year licence depending on star rating)	512.00
Keeping or Training Animals for Exhibition	471.00
Arrangement of Licence for Home Boarder Franchise Owners per hour (minimum of 2 hours)	46.50
Minor Amendment of Licence per hour (minimum of 1 hour)	46.50

Detailed Charge	Proposed charge 01/04/22
Major Amendment of Licence per hour (minimum of 2 hours)	46.50
Request for Re-Rating per hour (minimum of 2 hours)	46.50
Dangerous Wild Animals (plus Vet Fee if needed)	168.00
Zoo Licence (plus Statutory VET inspection fees as applicable)	1,680.00
Greyhound Stadium Licence	220.50
Sex Establishment Licence Application	2,980.00
Sex Establishment Licence Renewal	2,980.00
Sex Establishment Licence Variation or Transfer	2,200.00
Scrap Metal Dealer - Site	367.00
Scrap Metal Dealer - Collector	236.00
Scrap Metal Dealer - Change of name of Licensee	27.00
Scrap Metal Dealer - Change from Site to Collector	27.00
Scrap Metal Dealer - Change from Collector to Site	231.00
Scrap Metal Dealer - Change of Site Manager	231.00
Scrap Metal Dealer - Additional Site(s) to Licence	90.00
Copy of Licence Fee (Unspecified)	26.00
Gambling:	
Bingo Premises	
Non-conversion fee where a provisional statement has already been granted	787.00
New Premises Fee	1,416.00
Annual Fee	828.00
Variation Fee	1,313.00
Transfer Fee	828.00
Re-Instatement Fee	828.00
Provisional Statement Fee	1,416.00
Change of circumstances	32.00
Copy of Licence Fee	25.00
Adult Gaming Premises	
Non-conversion fee where a provisional statement has already been granted	828.00
New Premises Fee	1,416.00
Annual Fee	797.00
Variation Fee	828.00
Transfer Fee	828.00
Re-Instatement Fee	828.00
Provisional Statement Fee	1,416.00
Change of circumstances	32.00
Copy of Licence Fee	25.00
Betting Premises (Track)	
Non-conversion fee where a provisional statement has already been granted	828.00
New Premises Fee	2,204.00
Annual Fee	870.00
Variation Fee	870.00
Transfer Fee	828.00
Re-Instatement Fee	828.00
Provisional Statement Fee	2,204.00
Change of circumstances	32.00
Copy of Licence Fee	25.00
Family Entertainment Premises	
Non-conversion fee where a provisional statement has already been granted	828.00

Detailed Charge	Proposed charge 01/04/22
New Premises Fee	1,416.00
Annual Fee	577.00
Variation Fee	828.00
Transfer Fee	828.00
Re-Instatement Fee	828.00
Provisional Statement Fee	1,416.00
Change of circumstances	32.00
Copy of Licence Fee	25.00
Betting Premises (other)	
Non-conversion fee where a provisional statement has already been granted	797.00
New Premises Fee	2,045.00
Annual Fee	472.00
Variation Fee	986.00
Transfer Fee	828.00
Re-Instatement Fee	828.00
Provisional Statement Fee	2,045.00
Change of circumstances	32.00
Copy of Licence Fee	25.00
Temporary Use Notice	100.00
Liquor Licences	
Personal Licence	37.00
Premises Licence	Variable
LICENSING - Private Hire/Hackney:	
Vehicle Licensing Hackney (Inc plates & first test)	257.50
Vehicle Licensing Private Hire (Inc plates & first test)	257.50
Vehicle Test at North Bridge	65.00
Retest of Vehicle	29.50
Admin charge on lifting Suspensions	27.50
Private Hire Operators Licence	494.50
Private Hire Operators Licence each additional vehicle over 2 (for licenses issued prior to April 2017)	25.00
Application for Drivers Licence (+ DBS + Knowledge test)	152.50
Joint Application (+ DBS + Knowledge test)	152.50
Renewal of drivers licence	115.50
Knowledge Test	65.00
Replacement Badge / Licence	27.50
Sealing of meter	50.00
Advertising on Taxis Full Livery	32.50
Transfer of ownership	49.00
Surrender of Vehicle Licence / Suspension admin fee	27.50
Front plate bracket	6.50
Rear plate bracket	13.00
Replacement Front plate	19.00
Replacement Rear plate	29.50

Appendix H

Reserves (Estimated Balance at 31st March 2022)

	£m
Restriction (conditions attached to use)	
School Balances	4.135
Health & Social Care Transformation Fund	3.505
Public Health	2.703
COVID-19 Contain Outbreak Management Fund	1.553
Section 38 Income	0.811
Diamond/Solar Centre	0.674
S106 Open Spaces Revenue unapplied contribution	0.568
COVID-19 Test & Trace Grant	0.518
Various Section 278	0.400
Leisure Park Ph2 Plot 6 Service charge	0.300
Pathway to Traineeships (SFA)	0.215
Others (less than £50k)	0.205
Town Fund Capacity	0.192
Port Transition Funding	0.191
Rapid Rehousing Pathway (RRP)	0.170
Sustainable Drainage Approval Body (SAB)	0.143
Bridges Commuted Sums	0.126
Revenues & Benefits - Discretionary Hardship	0.114
Lincoln Gardens Six Streets	0.078
S106 Highways Revenue unapplied contribution	0.056
Restriction Total	**16.658**

	£m
Specific Allocations	
COVID-19 Response	13.369
Service Transformation Fund	11.681
Business Rates Volatility	10.684
Environment & Sustainability/Net Zero Carbon	5.000
Insurance Fund	4.094
Leisure Refurbishment	3.806
Specialist Safeguarding	3.000
Revenue Contribution to the Capital Programme (pre-work/development costs)	2.894
Transformational projects in Social Care	2.588
Severance costs	1.999
Civic Office Major Items Replacement	1.655
New NNDR Incentive Scheme	1.294
Stronger Families Programme	1.287
Social Mobility Opportunity Area	1.109
Severe Weather & Road Safety	1.000
Mental Health Trailblazer	0.912
Demolition Old Library	0.900
Well Doncaster match funding	0.483
Future Place Strategy-CWD	0.450
Fleet Electric Vehicles/Infrastruture	0.410
Safeguarding Adults Board	0.377
St James Baths	0.199
Enterprise Resource Planning (ERP) - Phase 2	0.152
S106 Interest balances	0.149
Flexible Homelessness Grant	0.143
Planning 20% Additional Income Balance	0.128
Public Spaces Community Order	0.125
BREXIT Preparations Fund	0.123
Stratgic Asset Management	0.100
Libraries and Culture	0.092
Examination In Public (Local Development Framework Sites and Policies)	0.068
Syrian Resettlement Grant	0.064
One Public Estate Programme	0.060
Others (less than £50k)	0.056
Special Educational Needs & Disability Information, Advice & Support (SENDIAS)	0.051
Planning Enforcement Fund	0.050
General Total	**70.553**

Appendix I

Risk Assessment of Uncommitted General Fund Reserve

Risk	**Risks & Quantification**	**Maximum Potential Call on Reserves 21/22 & 22/23 £m**
Known provisions and contingent liabilities as at January 2022	An Insurance Fund provision of £5.4m has been made as per the methodology agreed. A provision of £8.8m for NNDR appeals has been made in 21/22 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.	Up to 1.0
Robustness of 2022/23 budget proposals	It is prudent to include a risk regarding the deliverability of the 2022/23 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 2022/23 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 £4.0m is included (equivalent to 60% of the 2022/23 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 4.0
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 2021 until March, 2022. A separate earmarked reserve exists for this.	0.0
Capital Programme 2022/23 – 2025/26	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 2022/23 to be managed as part of capital monitoring process.

Risk	Risks & Quantification	Maximum Potential Call on Reserves 21/22 & 22/23 £m
Treasury Management	The Council relies on short-term (circa £60m) and under borrowing (circa £107m) 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 £167m of short-term and under-borrowing with long term borrowing, this could cost £2.9m per year at current rates over 5 years and could rise to £3m 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 4.0
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. Funding has been set aside in an earmarked reserve to meet development 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
Total Maximum Quantified Risks		**15.0**
Uncommitted Reserves Available based on best estimates		**15.9**

Doncaster Council

Date: 16th February, 2022

To the Chair and Members of the CABINET

CAPITAL STRATEGY AND CAPITAL BUDGET 2022/23 – 2025/26

EXECUTIVE SUMMARY

Capital Strategy

1. 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.
2. The Capital and Major Projects Board (CAMP Board) has provided strategic oversight of the council's capital investments to be more responsive to its economic, social and environmental commitments and ambitions.
3. The Capital Strategy is set out in paragraphs 36 to 71; this has been used to produce the Capital Budget Proposals set out in paragraphs 11 to 35.

Capital Programme Budget Proposal

4. Doncaster Council continues to invest in the future of the Borough despite the tough economic climate with an estimated £386.9m of capital investment over 2022/23 to 2025/26 that will continue to stimulate growth and prosperity, with £141.6m of spend estimated for 2022/23. 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. This includes £196.8m investment in the Councils social housing stock over the next four years, covering maintenance, adaptions and the new build programme.
5. Additional schemes are proposed for inclusion in the capital programme totalling £36.1m, with £29.9m in 2022/23. These schemes have been reviewed to prioritise essential spend required to maintain our assets which are expected to be used in the long term. This includes continued investment in our leisure facilities, retained public buildings and fleet replacement with the acquisition of electric vehicles being prioritised where possible, and £6m additional investment for improving the condition of our roads and road safety.
6. The existing capital programme and new projects for the four years 2022/23 to 2025/26 are detailed in Appendices 1a to 1f and the paragraphs below. There is

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

7. In the following sections, unless stated otherwise, the value for 2022/23 is shown first and then the total for the four-year programme is in brackets (2022/23 to 2025/26).

EXEMPT REPORT

8. This report is not exempt.

RECOMMENDATIONS

Cabinet will be asked to recommend that Council approve: -

a. The Capital Strategy at paragraphs 36 to 71;
b. Capital programme budget for 2022/23 to 2025/26 at paragraphs 11 to 35;
c. Directors in consultation with the portfolio holder take responsibility for agreeing changes to the use of block budgets in the capital programme. The block budgets are identified in appendix 1 and include the retained buildings programme, school condition programme, and integrated transport block.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

9. 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.

BACKGROUND

10. 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

11. The current Capital Programme includes £386.9m of capital investment over 2022/23 to 2025/26, with £141.6m in 2022/23. A summary of the Capital Programme by Directorate is provided below: -

Directorate	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**	**Total £m**
Adults, Health and Well-Being	6.835	4.982	4.982	4.982	**21.781**
Public Health	5.105	1.107	0.910	0.000	**7.122**
Corporate Resources	24.932	13.350	12.700	12.500	**63.482**
Learning Opportunities, Skills & Culture	9.240	8.450	6.095	0.00	**23.785**
Economy and Environment	95.501	58.047	61.804	55.384	**270.736**
Total	**141.613**	**85.936**	**86.491**	**72.866**	**386.906**

12. The schemes put forward to be considered for approval total £36.1m with a £21.8m funding requirement; these are detailed in Appendix 2. The value of capital bids received as part of budget setting that require funding from council resources (capital receipts and borrowing) are set out in the table below. The CAMP board has reviewed all the bids received. Due to the shortfall of capital receipts, there will be a £6m revenue contribution to fund road safety and condition improvements with all the other bids to be funded by borrowing -

Directorate	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Adults, Health and Well-Being	0.000	0.000	0.000	0.000	**0.000**
Public Health	0.000	0.000	0.000	0.000	**0.000**
Corporate Resources	8.412	0.500	0.200	0.000	**9.112**
Learning Opportunities, Skills & Culture	0.000	0.000	0.000	0.000	**0.000**
Economy and Environment	11.641	0.713	0.212	0.212	**12.778**
Total	**20.053**	**1.213**	**0.412**	**0.212**	**21.890**

13. It is estimated that borrowing for the £15.9m (£21.9m in the table above less the £6m revenue contribution) would incur borrowing costs of £1.7m per annum, which can be met from existing limited budget, which is balanced against the pressures on the revenue budget position.

Economy and Environment

14. 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 £95.5m in 2022/23 (£270.7m), a further analysis is provided in Appendix 1f of the Appendix pack.

15. Bids totalling £10.6m (£11.7m) were received during budget setting for this Directorate that would need to be funded with council resources.

16. In addition to the schemes included within this report, work will continue to be undertaken to determine the future capital needs in relation to the Mexborough transport study, future revisions to the highway layout and review of the masterplan. Once completed, an options analysis will be carried out identifying the costs and potential funding/grant opportunities.

Development

a. **Strategic Acquisitions Fund** - £4.8m 2022/23 (funded with Council resources). Fund has been increased by £1.7m and is available for identified strategic prioritisation and subject to general capital resource planning.

b. **Transforming Cities Fund (TCF)** - £23.2m 2022/23 - The TCF aims to drive up productivity through improved connections between urban centres and suburbs with investment and improvements local transport infrastructure and public transport.

c. **Improvements to Cusworth Hall** - £1.6m (£2.1m) works required to maintain the 18th Century Grade 1 listed country house.

Housing & Sustainability

a. **Council House Building Programme (Committed)** – £5.4m in 2022/23. Balance of the £7.5m funding for the three developments approved by Cabinet on 3rd December, 2019, as part of the Affordable Homes Programme to deliver

33 new homes across the Borough. In addition, the report included £1.7m in respect of a possible development at Thorne which is still in the planning stage.

b. **Council House Building Programme (New Major Investment)** – Further funding totalling £88.5m across the four year programme has been earmarked to deliver additional new homes across the Borough. The Council continues an ambitious programme of housing development over the next 4 year period, which will result in a total of £100m invested to deliver a substantial number of new homes to meet the needs of our residents.

c. **Council House Improvement and Maintenance Programme** – Funding totalling £22.7m in 2022/23, (£93.2m will be spent on maintaining and improving the existing Council housing stock to the Doncaster decency standard. The focus will be on energy efficiency improvements, heating conversions/upgrades, refurbishment of void properties, building safety and roof, facia and soffit replacements. The programmed works will include the following: -

- **Fire Safety Improvements** – Funding totalling £1.6m in 2022/23 (£5.0m). Fire risk assessments have been carried out on all the properties that were required under the Regulatory Reform Fire Safety order. Work is ongoing to deliver the actions from the fire risk assessments.
- **Electrical Works** – Electrical works totalling £0.9m in 2022/23 (£3.8m) will be invested into exchanging consumer units and introducing surge and arc protection equipment to our high rise blocks and surge protection only to the medium rise blocks, the remaining stock will get a compliant consumer unit installed.
- **Energy Efficiency Works** - Funding totalling £5.0m in 2022/23 (£20.0m) will be spent on investment in Energy Efficiency Works to respond to climate change and the need to work across housing types and tenures to meet carbon reduction targets. The main focus across the 4 year programme will be on hard to treat properties which include 1,485 solid wall properties identified to benefit from external wall insulation works. These works will help the Authority move towards achieving an Energy Performance Certification “C” standard by 2030 and there is sufficient funding in the capital programme to achieve this. Achieving this is a SLHD Key Performance Indicator, monitoring is completed and reported on an annual basis.

d. **Residential Site Improvements** - Funding totalling £1.3m in 2022/23 (£5.3m). The majority of the funding is earmarked for major works approved by Cabinet on 22nd September 2021 in respect of a two-year investment strategy from 2022/23. Improvement works will be carried out across all three Gypsy and Traveller sites, starting with White Towers in 2022/23 and Little Lane and Lands’ End sites in subsequent years. In addition, an Executive Decision approved £0.34m funding in respect of the installation of fire barriers at the Park Homes sites.

e. **Net Zero Carbon –** £2.3m 22/23 in line with the environmental strategy and in reaction to the climate and bio-diversity emergency the Council is working to produce a Net Zero Carbon Masterplan. The schemes for individual buildings will be developed and approved individually as surveys are completed. Although the scheme will incur borrowing costs, they will be funded by the revenue savings produced due to having more energy efficient buildings.

Environment

a. **Highway Maintenance Programmes –** £8.0m (£11.9m)

- Planned structural highway resurfacing schemes, preventative maintenance treatments and local routine maintenance works across the Doncaster highways network.
- Strengthening and maintenance of bridges and other highway structures across the borough on a priority needs basis that will allow removal of some temporary weight restrictions and safety measures already in place on inadequate bridges and highway structures.

The planned structural schemes for carriageway, footway, bridges and street lighting will be identified on a priority needs basis, reflective of condition, usage, risk and affordability in order to ensure the Council meets its statutory duty and obligations for maintaining the highway and bridge infrastructure networks and for providing the safe passage of highway users.

The preventative highway maintenance treatment programmes for surface dressing, micro-surfacing and footway slurry surfacing will be selected based on the need to preserve and protect the network from further degradation, thereby providing and supporting a sustainable highway network asset. The borough-wide highway maintenance programme of proprietary treatments will be submitted for approval by the highways portfolio holder.

Routine highway maintenance patching works address the permanent repair of potholes and pothole prevention measures. Local works will be selected and prioritised from various highway condition surveys and highway inspection data sources alongside notifications received from ward members, the general public via Call Centre enquiries or by other means.

b. **Street Lighting Column Replacement -** £0.9m 2022/23 (£2.8m) (funded with Council resources) – for the continuation of the scheme for the replacement of existing street lighting columns, re-using the existing LED light fittings.

c. **Road Improvement and Safety Fund -** £6m 2022/23 additional allocation, £5m for road improvements, prioritising estate road condition improvements, and £1m for road safety interventions.

Adults, Health and Well Being

17. The total investment managed by this Directorate is estimated to be (£21.8m) over the four year programme, with £6.8m in 2022/23. The largest areas are Housing Adaptations £6.0m (£20.9m). A further analysis is shown in Appendix 1b of the Appendix pack.

18. There were no additional bids received for this directorate.

a. **DFG/Adaptations -** 1,830 housing adaptations for the disabled are estimated to be completed per year (230 DFG adaptations to private properties and 1,600 on council dwellings). There are also 1,300 private minor adaptations estimated to be completed each year. The estimated funding package is £20.9m.

Public Health

19. The total investment managed by this Directorate is estimated to be £5.13m in 2022/23 (£7.1m) over the four year programme. Works are related to investment in leisure facilities and parks. A further analysis is shown in Appendix 1c of the Appendix pack.

a. **Doncaster Culture and Leisure Trust** – £4.1m. Works in 2022/23 are to improve building fabric and lighting, mechanical and electrical elements at various sites.

Corporate Resources

20. Corporate Resources are estimated to manage (£63.5m) of funds over the four year programme, with £24.9m in 2022/23. The major areas of spend managed is investment in ICT £2.7m (£3.3m) and trading services £4.3m (£4.8m). The balance for the Investment and Modernisation Fund allocation, which is to be increased to £12.5m (£50m), is held within this directorate. A further analysis is shown in Appendix 1d of the Appendix pack.

21. Bids totalling £6.9m (£7.6m) were received for this Directorate that would need to be funded with council resources.

    a. **ICT Schemes** - £2.7m (£3.3m) The Council cannot operate effectively and efficiently without technology. Technology needs to be continually refreshed to be fit for purpose and so it will still operate and ensure all information is kept safe and secure.

    b. **Investment and Modernisation Fund (IMF)** - £12.5m (£50.0m) IMF available, if required, to fund projects which deliver more efficient services and enable further revenue savings.

    c. **Trading Services** - £4.3m (£4.8m) includes improvements to cemeteries, markets and the fleet replacement programme.

    d. **Programme Contingency** - £5m a contingency amount will be added to the capital programme providing flexibility for any new schemes identified in year. This will include any capital requirements arising from the locality plans expected early next year (above current funding identified) and asset management requirements following the results of detailed surveys that are being carried out, to ensure our buildings/assets are fit for purpose.

       It is also anticipated that funding will be required to support the replacement of analogue telephone lines as part of the digital switchover which will be vital for the continuation of some services.

Learning, Opportunities, Skills and Culture

22. The total investment via this Directorate is estimated to be (£23.8m) over the four year programme, with £9.2m in 2022/23. Analysis is shown in Appendix 1e of the Appendix pack.

23. 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 thirteen schools are estimated to have a range of improvements works completed in 2022/23, a single school may have more than one type of improvement work carried out, including roof replacement, electrical and lighting upgrades and heating system improvements, investing £1m.

       - Six schools will have a range of electrical work completed including mains and lighting upgraded £0.3m;
       - Six schools will have a range of heating, boiler and pipework improvements at an estimated cost of £0.3m;
       - Six schools will have fabric works completed, investing £0.3m;

A contingency of £0.1m is allocated within the budget to allow for any unforeseen costs.

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.

b. **Doncaster Children's Services Trust** – Doncaster Children's Service Trust has funding of £0.7m which will support the future placements strategy, including the delivery of revenue savings.

Pipeline

24. As part of the budget setting process the Council has also identified potential capital schemes at only a conceptual stage or in need of further development in order to create a capital pipeline.

25. Schemes in the pipeline will be aligned to key strategies, such as the Environment Strategy, and be further developed with the aim of translating policy intent into capital schemes.

26. Many of the capital schemes in the pipeline require significant funding and will only be developed and delivered if additional funding from central government or other external sources becomes available.

27. Having the pipeline in place provides a strategic oversight that puts the council in a strong position to attract external funding. This also aligns with the direction of the South Yorkshire Mayoral Combined Authority (SYMCA) by creating a project/policy driven pipeline rather than one which reacts to funding as it is released.

Links to the Medium-term Financial Strategy (MTFS)

28. 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 implications, 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 MTFS.

Asset Sales and Capital Receipts

29. To deliver the priorities, the Council needs to generate income by selling assets to generate capital receipts. Over the next four years, it is estimated £13.8m 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 £5.7m in 2021/22 caused by delayed delivery in the current and previous years (this shortfall could increase further if the current estimated sales for 2021/22 are not achieved). It is currently estimated there will be a surplus of receipts in 2022/23 which will be available to fund the new capital schemes.

30. Funding of the current programme requires capital receipts, however sales have not been realised at both the level and within the timeframes previously estimated. The disposals programme is also decreasing in size so the level of capital receipts available in the future will greatly diminish.

31. The value in the current capital programme to be financed with capital receipts totals £5.8m.

32. The tables below show the existing capital receipts and commitments for 2022/23 to 2025/26: -

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Current Capital Programme Requirement	5.353	0.400	0.000	0.000
Estimated Capital Receipts:				
Carried forward	(5.744)	(1.843)	2.290	2.290
In-year capital receipts	9.254	4.533	0.000	0.000
Total Est. Capital Receipts	**3.510**	**2.690**	**2.290**	**2.290**
Cumulative Balance (to c/f)	**(1.843)**	**2.290**	**2.290**	**2.290**

33. 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. As these are estimates the sale price may vary as well as the timings of the sales.

Future Capital Allocations and Funding

34. 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.

35. 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.

Capital Strategy

36. 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.

37. 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 adaptions 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 the Balance Sheet.

38. 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.

39. Further information is provided below on the overall priorities and key strategies that influence the capital programme:

The Council's Corporate Objectives and Priorities

40. The Corporate Plan details and co-ordinates the council's key objectives and has six wellbeing goals which are:

- Greener & Cleaner Doncaster
- Prosperous & Connected Doncaster
- Safe & Resilient Doncaster
- Healthy & Compassionate Doncaster
- Skilled & Creative Doncaster
- Fair & Inclusive Doncaster

41. The strategies and plans influencing the capital programme include: -

a. **Medium-term Financial Strategy (MTFS)** - 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 MTFS.

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.

   The 2022 to 2026 strategy is currently being developed.

c. **Housing Strategy** – Approved by Cabinet on 12th January, 2021. The aims of the strategy are to:

   i. Enhance the safety and condition of homes, the main setting for our wellbeing throughout our lives
   ii. Meet housing need and aspirations, support our local economy and help revitalise town centres and communities
   iii. Make homes greener and more energy efficient to reduce carbon emissions and keep energy costs affordable
   iv. Enable and support people to plan, act and invest in their homes, to protect their independence and wellbeing for the future

   Some of the key proposed actions to deliver the aims of the strategy include:

   - Housing actions in the Mayor's Restart, Recovery, and Renewal Plan: a whole system approach to tackling homelessness; development of the Five Year Housing Delivery Plan
   - An accelerated £100m+ Council House Build Programme, providing new affordable homes at high design and energy efficiency standards
   - The aim to complete a new Private Sector Housing Stock Condition Survey as the foundation for a long term Housing Retrofit Programme raising energy efficiency standards for all homes

across the borough and improving conditions in the private rented housing sector

- Responding to new responsibilities on Building and Fire Safety
- Implementing the housing recommendations from Doncaster's Environment and Sustainability Strategy
- Working to deliver new homes in key economic growth locations, and in our town centres, to support our economy
- Working in partnership with our residents and other agencies to help tackle climate change and support independent living, mobilising our shared skills and capacity to improve homes and lives for the future

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. The MRP policy outlines how the Council accounts for the repayment of borrowing.

e. **Environment and Sustainability Strategy -** This strategy set outs how Doncaster Council will play its part in the national effort to reduce carbon emissions and help limit global average temperature increases. It also identifies how the council will respond to Doncaster-specific issues like litter, fly tipping, and flooding. The strategy is derived from the input and expertise of numerous stakeholders such as businesses and organisations (including the Climate and Biodiversity Commission) as well as from residents and elected members (via Doncaster Talks public engagement exercises and member seminars).

Maintenance and review of current assets

42. 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.

43. 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 as 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. RAMPs provide information used to identify and prioritise the maintenance requirements of current assets and to support longer-term decision making based on service priorities and available 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 –** The authority has a rolling 10 year replacement programme for its standard fleet, although this is dependent on economic viability and whole life vehicle costs, for which mileage, utilisation and requirements are considered.

f. **Retained Buildings Improvement** - Investment to address condition related projects to ensure buildings remain fit for purpose, in operation and safe.

Works will also be carried out to ensure that retained buildings meet Minimum Energy Efficiency Standards (MEES).

g. **Housing -** improvements and maintenance of the existing Council housing stock to Doncaster decency standard, maintain appropriate building and fire safety standards and achieve Energy Performance Certification “C” standard by 2030.

A draft ten year investment programme has been developed, this medium term plan is required to ensure that there are sufficient resources available to fund the required programme. This medium term programme continues to deliver the ongoing improvements but shows a significant increase in investment in kitchens and bathrooms (£68m over the period 2025/26 to 2034/35) and additional energy efficiency works (£16.8m).

New Asset Management and Environmental Strategies have been approved during 2021, in addition a high level report has been commissioned to look at the implications of achieving net zero carbon for the Council’s Housing stock. Detailed survey work has now commenced to fully understand the long term investment needs for the stock and understand how many of the properties are unsustainable in the long term. Initial estimates of the funding gap to achieve net zero carbon for the Council’s housing stock by 2050 is £314m.

The current decent homes standard was introduced by the Government in 2000 and Doncaster approved the Doncaster decency standard in 2005. The Government standard is under review and a new standard is expected to be published during 2022, the main changes that are anticipated are the inclusion of new standards for building safety (including fire safety).

Self-financing for the Housing Revenue Account (HRA) was implemented by the Government in 2012, the settlement did not include any funding for building safety works, decent homes 2.0 or achieving net zero carbon and therefore the anticipated value of investment required is greater than the funding currently provided for within the HRA.

Non-Financial Investments

44. The Council holds some assets to primarily or partially generate rental income and appreciation in value.
45. 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.
46. 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.
47. The council currently does not have plan to acquire or build any properties primarily for investment purposes.
48. The investment portfolio review will be used to monitor the performance and value of the existing investment properties held by the Council.

Funding Sources

49. 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 Chief Financial 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.
50. 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.

       There is a disposal programme in place which was approved at Cabinet on 5th November 2019. 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.

       Funding of the current programme relies largely upon capital receipts, however sales have not been realised at both the level and within the timeframes previously estimated. The disposals programme is also decreasing in size so the level of capital receipts available in the future will greatly diminish.

Capital receipts therefore will only be used to fund the existing capital programme and that if any capital receipts are generated beyond that they could be used to fund transformational and regeneration schemes.

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 MTFS due to the repayment charges 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 optimise the revenue budget position.

   Due to the lack of capital receipts, there will be greater borrowing requirements to fund the capital programme in the future. This will create a requirement for increased revenue budget to pay for the cost of borrowing.

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

   - **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, if required, 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 MTFS.

Approval and Prioritisation of the Capital Programme

51. Relevant approval is required before a project can commence or in some circumstances commit to capital spend.

52. The Capital and Major Projects (CAMP) Board aims to provide the strategic oversight of all capital projects from the conceptual stage to the development of an approved capital programme, through to monitoring delivery. Including:

- Developing a project pipeline and strengthening the strategic approach to prioritising projects in the capital programme – based on the Council's locality requirements and The Great 8 Priorities.
- Create a single gateway entry for capital projects.

- Monitoring programme delivery and performance of the Council's capital programme.
- Overseeing policy development in relation to the capital programme.

53. This enables greater cohesiveness in delivery, avoids duplication and helps capitalise on external funding opportunities. It also improves the visibility and transparency of the capital programme for Directors and their leadership teams.

54. Information for all new capital schemes is requested as part of budget setting, from those in a position to produce a full, robust business case ready to start in the following financial year to those only at a conceptual stage that will form the future pipeline.

55. Schemes in the pipeline will be aligned to key strategies, such as the Environment Strategy, and be further developed with the aim of translating policy intent into capital schemes. The pipeline will strengthen the council's ability to attract external funding. This also aligns with the direction of the SYMCA by creating a project/policy driven pipeline rather than one which reacts to funding as it is released.

56. The capital process and guidance are distributed to Directors, Assistant Directors and Heads of Service to ensure that no areas are missed and all have the opportunity to submit bids. To help ensure they are priorities, the bids are supported by the relevant Director before being passed to CAMP board.

57. 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.

58. 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 corporate resources.

59. 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 MTFS.

60. The CAMP Board rank bids by priorities met, health and safety issues resolved, if they are business critical and a necessity for service continuation, financial implications. Each bid is also categorised into themes to aid better comparison and prioritisation.

61. 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. This is as per Financial Procedure Rule B.3.

62. Additions in year require the completion of a Capital 1 form; which must be followed by an Officer Decision Record 1 which will need to be signed off by the Chief Financial Officer to gain specific project approval before spend can be committed to. A full report will be needed for projects meeting the definition of a key decision. This is as per Financial Procedure Rule B.9. Any schemes over £100k or requiring the use of corporate resources must first be reviewed by CAMP board.

Monitoring of the Capital Programme

63. Capital projects are formally monitored as part of the quarterly Finance and Performance Improvement report by The Executive Leadership Team 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.

64. 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 Leadership Team, Executive Leadership Team, Executive Board and Cabinet.

65. 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.

66. The Collaborative Planning (CP) system is used to monitor the existing capital programme. 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.

67. 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.

Risk Management

68. There are risks that can arise that will impact upon the capital programme. Risks associated with borrowing, such as interest rate risk, are covered in the Treasury Management Strategy.

69. Other risks such as the increasing costs of materials and labour, capacity issues, scheme slippage are reviewed as part of the monitoring process with individual scheme exceptions and overall escalated risks being highlighted in the quarterly monitoring report to CAMP board and Finance and the Performance Improvement report so any necessary action can be taken.

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.

    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

72. Option 1 – Do not support the Capital Strategy and proposal for the 2022/23 to 2025/26 Capital budget.

73. Option 2 – Support the Capital Strategy and proposal for the 2022/23 to 2025/26 Capital budget.

REASONS FOR RECOMMENDED OPTION

74. Option 2 has been adopted, supporting the Capital 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

75. These are detailed in the table below: -

<table>
<tr><th></th><th>Outcomes</th><th>Implications</th></tr>
<tr><td></td><td>Doncaster Working: 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;
• Better access to good fulfilling work
• Doncaster businesses are supported to flourish
• Inward Investment</td><td rowspan="5">Council budget therefore impacts on all outcomes</td></tr>
<tr><td></td><td>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;
• The town centres are the beating heart of Doncaster
• More people can live in a good quality, affordable home
• Healthy and Vibrant Communities through Physical Activity and Sport
• Everyone takes responsibility for keeping Doncaster Clean
• Building on our cultural, artistic and sporting heritage</td></tr>
<tr><td></td><td>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;
• Every child has life-changing learning experiences within and beyond school
• Many more great teachers work in Doncaster Schools that are good or better
• Learning in Doncaster prepares young people for the world of work</td></tr>
<tr><td></td><td>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;
• Children have the best start in life
• Vulnerable families and individuals have support from someone they trust
• Older people can live well and independently in their own homes</td></tr>
<tr><td></td><td>Connected Council:
• A modern, efficient and flexible workforce</td></tr>
</table>

	Outcomes	Implications
	• Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	

RISKS AND ASSUMPTIONS

76. 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.
    c. The risk that interest rates rise causing additional pressure to the revenue budget or reducing the amount of capital schemes that can be afforded.

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 14.01.22]

77. 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.

78. Further, specific legal advice will be required as each project progresses (including where projects utilise 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 any other legal requirements as appropriate.

FINANCIAL IMPLICATIONS [Officer Initials: RS Date:21.01.22]

79. Financial implications are contained within the body of the report. Project approval will be required for specific projects 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.

80. 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 2022/23 to 2025/26.

HUMAN RESOURCES IMPLICATIONS [Officer Initials: SH Date:14/01/2022]

81. There are no immediate HR implications to this report.

TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 19/01/22]

82. The capital programme includes essential 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: RS Date: 14/01/2022]

83. The choices the council makes in prioritising capital budgets will impact upon 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 investments in capital projects will bring many benefits to Doncaster for example, contribute to economic growth, the reduction in social isolation, increase physical activity and improve mental health. They should also improve working conditions for staff and help reduce our carbon footprint. With sustained long-term lack of investment in capital expenditure, there is likely to be implication on potentially increasing health inequalities. This needs to be considered during the decision making process so that inequalities and health inequalities are at the least not increased, at best improved. As part of the decision-making process report authors for each 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 reports. The health impact assessments and due regard statements should highlight the positive and negative effects of the proposal and should provide information that will assist in the decision making process as outlined.

EQUALITY IMPLICATIONS [Officer Initials: RS Date:21/01/22]

84. The Council must consider and have due regard to the three aims of the general equality duty when developing and implementing the council's Budget. 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.

85. 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

86. The specific proposals have been considered and reviewed by CAMP Board throughout the process and have been presented to both the Executive Leadership Team and Executive Board.

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

BACKGROUND PAPERS

- Cabinet Report – Finance and Performance Improvement Report: 2021-22 Quarter 1

  i cab 011221 - Q2 Finance Performance Report Pack for Cabinet.pdf (moderngov.co.uk)

- Cabinet Report – Finance and Performance Improvement Report: 2021-22 Quarter 2

  i cab 011221 - Q2 Finance Performance Report Pack for Cabinet.pdf (moderngov.co.uk)

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Assistant Director of Finance (Section 151 Officer)

Appendices Contents

Title	
Appendix 1a to 1f	Capital Schemes by Directorate
Appendix 2a	New Schemes Seeking Approval Financial Profile
Appendix 2b	New Schemes Seeking Approval Narrative

CAPITAL PROGRAMME 2022/23 TO 2025/26 - DIRECTORATE SUMMARY

DIRECTORATE & SERVICE AREAS	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
ADULTS, HEALTH & WELL-BEING					
ADULT SOCIAL CARE	6,785	4,982	4,982	4,982	**21,731**
COMMUNITIES	50	0	0	0	**50**
ADULTS, HEALTH & WELL-BEING TOTAL	**6,835**	**4,982**	**4,982**	**4,982**	**21,781**
PUBLIC HEALTH					
LEISURE SERVICES	**982**	**1,107**	**910**	**0**	**2,999**
LEISURE FACILITIES INVESTMENT	0	0	0	0	**0**
FUTURE PARKS 15 BESPOKE PARK	982	1,107	910	0	**2,999**
PUBLIC HEALTH CAPITAL PROGRAMME	**982**	**1,107**	**910**	**0**	**2,999**
CORPORATE RESOURCES					
CUSTOMERS, DIGITAL & ICT	2,753	350	200	0	**3,303**
FINANCE	17,837	12,500	12,500	12,500	**55,337**
TRADING SERVICES	4,342	500	0	0	**4,842**
CORPORATE RESOURCES TOTAL	**24,932**	**13,350**	**12,700**	**12,500**	**63,482**
LEARNING, OPPORTUNITIES, SKILLS AND CULTURE					
CENTRALLY MANAGED	200	200	200	0	**600**
COMMISSIONING & BUSINESS DEVELOPMENT	6,942	8,250	5,895	0	**21,087**
PARTNERSHIPS & OPERATIONAL DELIVERY	1,365	0	0	0	**1,365**
CHILDREN'S TRUST	733	0	0	0	**733**
LEARNING, OPPORTUNITIES, SKILLS AND CULTURE TOTAL	**9,240**	**8,450**	**6,095**	**0**	**23,785**
ECONOMY & ENVIRONMENT					
ECONOMY & DEVELOPMENT	37,492	740	204	128	**38,564**
ENVIRONMENT	17,844	2,541	2,492	1,537	**24,414**
PUBLIC & PRIVATE SECTOR HOUSING	36,182	54,766	59,108	53,719	**203,775**
SUSTAINABILITY STRATEGY	3,983	0	0	0	**3,983**
ECONOMY & ENVIRONMENT TOTAL	**95,501**	**58,047**	**61,804**	**55,384**	**270,736**
TOTAL DMBC CAPITAL PROGRAMME WITH NEW PROPOSALS	**137,490**	**85,936**	**86,491**	**72,866**	**382,783**
CAPITAL FUNDING					
CAPITAL RECEIPTS - GF	5,783	400	0	0	**6,183**
EARMARKED RESERVES	5,532	240	204	128	**6,104**
GRANTS & CONTRIBUTIONS	46,408	13,787	11,112	4,107	**75,414**
BORROWING	45,854	35,356	42,768	31,712	**155,690**
REVENUE CONTRIBUTION - GENERAL FUND	6,395	395	395	0	**7,185**
REVENUE CONTRIBUTION - HRA	9,271	8,724	9,084	8,484	**35,563**
USABLE CAPITAL RECEIPTS (HOUSING)	2,500	6,221	3,110	1,227	**13,058**
MAJOR REPAIRS RESERVE (HOUSING)	19,870	20,813	19,818	27,208	**87,709**
TOTAL CAPITAL FUNDING	**141,613**	**85,936**	**86,491**	**72,866**	**386,906**

ADULTS, HEALTH & WELL-BEING CAPITAL PROGRAMME 2022/23 TO 2025/26

CAPITAL INVESTMENT	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
ADULTS SOCIAL CARE	**6,785**	**4,982**	**4,982**	**4,982**	**21,731**
ADAPTATIONS FOR THE DISABLED	2,200	2,200	2,200	2,200	**8,800**
DISABLED FACILITIES GRANTS	3,808	2,782	2,782	2,782	**12,154**
HOME ALARMS DIGITAL SWITCHOVER	777	0	0	0	**777**
COMMUNITIES	**50**	**0**	**0**	**0**	**50**
IMPROVEMENTS KILHAM LANE	50	0	0	0	**50**
ADULTS, HEALTH & WELL-BEING CAPITAL PROGRAMME	**6,835**	**4,982**	**4,982**	**4,982**	**21,781**

ADULTS, HEALTH & WELL-BEING CAPITAL SOURCES OF FUNDING	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
GRANTS & CONTRIBUTIONS	3,858	2,782	2,782	2,782	**12,204**
BORROWING	777	0	0	0	**777**
USABLE CAPITAL RECEIPTS (HOUSING)	300	300	300	300	**1,200**
MAJOR REPAIRS RESERVE (HOUSING)	1,900	1,900	1,900	1,900	**7,600**
TOTAL ADULTS, HEALTH & WELL-BEING CAPITAL PROGRAMME FUNDING	**6,835**	**4,982**	**4,982**	**4,982**	**21,781**

Appendix 1c

PUBLIC HEALTH CAPITAL PROGRAMME 2022/23 TO 2025/26

CAPITAL INVESTMENT	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
LEISURE SERVICES	**5,105**	**1,107**	**910**	**0**	**7,122**
LEISURE FACILITIES INVESTMENT					
-THORNE LEISURE CENTRE	1,856	0	0	0	**1,856**
-ROSSINGTON LEISURE CENTRE	593	0	0	0	**593**
-EDLINGTON LEISURE CENTRE	1,400	0	0	0	**1,400**
-BENTLEY RUGBY/CLUB HOUSE	100	0	0	0	**100**
-CONTINGENCY	174	0	0	0	**174**
FUTURE PARKS 15 BESPOKE PARK	982	1,107	910	0	**2,999**
PUBLIC HEALTH CAPITAL PROGRAMME	**5,105**	**1,107**	**910**	**0**	**7,122**

PUBLIC HEALTH CAPITAL SOURCES OF FUNDING	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
GRANTS & CONTRIBUTIONS	982	1,107	910	0	**2,999**
BORROWING	1,099	0	0	0	**1,099**
EARMARKED RESERVES	3,024	0	0	0	**3,024**
MAJOR REPAIRS RESERVE (HOUSING)					**0**
TOTAL PUBLIC HEALTH CAPITAL PROGRAMME FUNDING	**5,105**	**1,107**	**910**	**0**	**7,122**

CORPORATE RESOURCES CAPITAL PROGRAMME 2022/23 TO 2025/26

CAPITAL INVESTMENT	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
CUSTOMERS, DIGITAL & ICT	**2,753**	**350**	**200**	**0**	**3,303**
ESSENTIAL TECHNOLOGY INFRASTRUCTURE	887	0	0	0	**887**
COUNCIL WIDE SYSTEMS	641	0	0	0	**641**
CUSTOMER RELATIONSHIP MANAGEMENT	350	0	0	0	**350**
SECURE AND RESILIENT TECHNOLOGY	875	350	200	0	**1,425**
FINANCE	**17,837**	**12,500**	**12,500**	**12,500**	**55,337**
ERP (FINANCIAL SYSTEMS)	29	0	0	0	**29**
INVESTMENT&MODERNISATION FUND	12,500	12,500	12,500	12,500	**50,000**
BORROWING BLOCK BUDGET	308	0	0	0	**308**
PROGRAMME CONTINGENCY	5,000	0	0	0	**5,000**
TRADING SERVICES	**4,342**	**500**	**0**	**0**	**4,842**
REDHOUSE CEMETERY EXTENSION	113	0	0	0	**113**
ROSEHILL CEMETERY EXTENSION	70	150	0	0	**220**
MARKETS SCHEDULED MAINTENANCE	350	350	0	0	**700**
REMOVE OUTER STALLS	30	0	0	0	**30**
SUNNY BAR TO STORAGE	15	0	0	0	**15**
CLEANING EQUIPMENT PROGRAMME	40	0	0	0	**40**
2 YEAR FLEET/PLANT REPLACEMENT	2,391	0	0	0	**2,391**
HOME TO SCHOOL	757	0	0	0	**757**
STREET SCENE EQUIPMENT	576	0	0	0	**576**
CORPORATE RESOURCES CAPITAL PROGRAMME	**24,932**	**13,350**	**12,700**	**12,500**	**63,482**

CORPORATE RESOURCES CAPITAL SOURCES OF FUNDING	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
CAPITAL RECEIPTS - GF	419	350			**769**
BORROWING	24,513	13,000	12,700	12,500	**62,713**
TOTAL CORPORATE RESOURCES CAPITAL PROGRAMME FUNDING	**24,932**	**13,350**	**12,700**	**12,500**	**63,482**

LEARNING, OPPORTUNITIES,SKILLS AND CULTURE'S CAPITAL PROGRAMME 2022/23 TO 2025/26

CAPITAL INVESTMENT	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
CENTRALLY MANAGED	200	200	200	0	600
LOSC SERVICE IMPROVEMENTS & LIABILITY	200	200	200	0	**600**
PARTNERSHIPS & OPERATIONAL DELIVERY	1,365	0	0	0	1,365
SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) ASD DEVELOPMENT (BLOCK BUDGET)	1,365	0	0	0	**1,365**
COMMISSIONING & BUSINESS DEVELOPMENT	6,942	8,250	5,895	0	21,087
AHDC SHORT BREAKS PROGRAMME	150	100	100	0	**350**
FUTURE PLACEMENTS STRATEGY	590	0	0	0	**590**
SHORT BREAK OVERNIGHT PROVISION	427	0	0	0	**427**
SAFEGUARD&SECURE MINOR PROJECT	80	80	80	0	**240**
SCHOOL PLACES-BLOCK ALLOCATION	200	2,526	3,245	0	**5,971**
SURPLUS PLACES ARMTHORPE	20	3,000	1,470	0	**4,490**
SCHOOL PLACES HATCHELL GRANGE	1,421	474	0	0	**1,895**
DUNSVILLE PRIMARY SCHOOL EXPANSION	127	127	0	0	**254**
THORNE KING EDWARD (S106)	73	0	0	0	**73**
WARMSWORTH PRIMARY SCHOOL (S106)	61	0	0	0	**61**
DON VALLEY ACADEMY EXTENSION	1,035	0	0	0	**1,035**
OUTWOOD ACADEMY ADWICK EXPANSION	91	0	0	0	**91**
HAYFIELD SCH CLASSROOM EXPANSION	743	743	0	0	**1,486**
1920 WADWORTH ROOF	46	0	0	0	**46**
SCHOOLS CONDITION PROGRAMME (BLOCK BUDGET)	1,040	1,000	800	0	**2,840**
DEVOLVED FORMULA CAPITAL	300	200	200	0	**700**
CHEQUER ROAD ARCHIVES PROJECT	429	0	0	0	**429**
BENTLEY COMMUNITY LIBRARY IMPS (SCHEME ON HOLD)	61	0	0	0	**61**
HATFIELD COMMUNITY LIBRARY IMPROVEMENTS	48	0	0	0	**48**
CHILDREN'S TRUST	733	0	0	0	733
FUTURE PLACEMENTS STRATEGY (CIC HOMES)	733	0	0	0	**733**
LEARNING, OPPORTUNITIES, SKILLS AND CULTURE CAPITAL PROGRAMME	**9,240**	**8,450**	**6,095**	**0**	**23,785**

LEARNING, OPPORTUNITIES, SKILLS AND CULTURE CAPITAL SOURCES OF FUNDING	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
GRANTS & CONTRIBUTIONS	6,953	8,450	6,095	0	**21,498**
REVENUE CONTRIBUTION - GENERAL FUND	0	0	0	0	**0**
CAPITAL RECEIPTS - GF	791	0	0	0	**791**
EARMARKED RESERVES	590	0	0	0	**590**
BORROWING	609	0	0	0	**609**
USABLE CAPITAL RECEIPTS (HOUSING)	297	0	0	0	**297**
TOTAL LEARNING, OPPORTUNITIES, SKILLS AND CULTURE PROGRAMME FUNDING	**9,240**	**8,450**	**6,095**	**0**	**23,785**

ECONOMY & ENVIRONMENT CAPITAL PROGRAMME 2022/23 TO 2025/26

CAPITAL INVESTMENT	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
ECONOMY & DEVELOPMENT	37,492	740	204	128	38,564
LAKESIDE 1 GENERAL	208	0	0	0	**208**
CCQ CINEMA INFRASTRUCTURE	1,674	0	0	0	**1,674**
BALBY LOCAL CYCLING AND WALKING INFRASTRUCTRE PLAN	2,010	0	0	0	**2,010**
MEXBOROUGH GATEWAY	2,500	0	0	0	**2,500**
THORNE STATION ACCESS NORTTH-SOUTH	1,967	0	0	0	**1,967**
CONISBROUGH STATION ACCESS	1,030	0	0	0	**1,030**
BENTLEY WALK & CYCLING	635	0	0	0	**635**
KIRK SANDALL STATION	716	0	0	0	**716**
STATION TO COLLEGE	369	0	0	0	**369**
NORTH BRIDGE CONNECTOR	1,115	0	0	0	**1,115**
LEGER WAY (UNITY)	777	0	0	0	**777**
THORNE ROAD (UNITY)	3,114	0	0	0	**3,114**
M18 J3	4,800	0	0	0	**4,800**
TOWN CENTRE ACTIVE TRAVEL	4,000	0	0	0	**4,000**
SOUTH PARADE	824	0	0	0	**824**
SCRIF-A630 WEST MOOR LINK	2,274	0	0	0	**2,274**
STRATEGIC ACQUSITION FUND	4,835	0	0	0	**4,835**
CIVIC OFFICE MAJOR ITEMS WORK	1,538	240	204	128	**2,110**
COLONNADES UNDERGROUND CAR PARK	70	0	0	0	**70**
PAVILION REFURBISHMENT	215	0	0	0	**215**
MARY WOOLLET CAR PARK RESURFACING	84	0	0	0	**84**
PREMISES ACQUISITION	200	0	0	0	**200**
COLONNADES FLOOR & GUTTERING	250	0	0	0	**250**
NORTH BRIDGE BLOCK A HEATING	132	0	0	0	**132**
NORTH BRIDGE PARKING RESURFACE	49	0	0	0	**49**
CUSWORTH HALL IMPROVEMENTS	1,600	500	0	0	**2,100**
RETAINED PUBLIC. BUILDINGS INVESTMENT PROGRAMME (BLOCK BUDGET)	506	0	0	0	**506**
ENVIRONMENT	17,844	2,541	2,492	1,537	24,414
INTEGRATED TRANSPORT BLOCK (BLOCK BUDGET)	1,325	1,325	1,325	1,325	**5,300**
MAINTENANCE BLOCK (BLOCK BUDGET)	246	0	0	0	**246**
BRIDGES LTP ALLOCATION (BLOCK BUDGET)	6,305	0	0	0	**6,305**
LARGE PATCHING DFT 20-21	83	0	0	0	**83**
ROAD IMPROVEMENT AND SAFETY FUND	6,000	0	0	0	**6,000**
REPLACE AIR QUAL MON STATIONS	50	50	0	0	**100**
MOBILE ELEVATED WORK PLATFORM	190	0	0	0	**190**
GATEWAY TREE PLANTING	36	36	36	0	**108**
STREET LIGHTING IMP PROGRAMME	918	918	918	0	**2,754**
FIXED PLAY FACILITIES MODERNISATION	213	212	213	212	**850**
FRENCHGATE TUNNEL	1,600	0	0	0	**1,600**
SANDALL PARK LAKE SURROUND IMPROVEMENTS	560	0	0	0	**560**
ASKERN LAKE SURROUND IMPROVEMENTS	318	0	0	0	**318**
PUBLIC & PRIVATE SECTOR HOUSING	36,182	54,766	59,108	53,719	203,775
VOIDS CAPITAL WORKS	2,928	2,932	2,953	2,900	**11,713**
MECHANICAL & ELECTRICAL	3,110	3,204	3,249	3,220	12,783
HEATING CONVERSIONS/UPGRADES	2,303	2,328	2,366	2,351	**9,348**
ELECTRICAL PLANNED WORKS	743	744	749	736	**2,972**
MECHANICAL PLANNED WORKS	64	132	134	133	**463**
INTERNAL WORKS	1,839	1,860	1,892	9,049	**14,640**
EXTERNAL WORKS	14,694	14,286	11,922	11,833	52,735
EXTERNAL PLANNED MAINTENANCE	7,084	6,977	5,241	5,201	**24,503**
THERMAL EFFICIENCY - ECO WORKS	5,080	5,037	5,110	5,073	**20,300**
STRUCTURAL	329	333	338	335	**1,335**
FIRE SAFETY WORKS	1,604	1,606	895	888	**4,993**
SHOPS/FLATS	219	222	225	224	**890**
COMMUNAL HALLS	378	111	113	112	**714**
ENVIRONMENTAL WORKS	2,139	1,993	2,012	1,982	8,126
ENVIRONMENTAL / FENCING PROGRAMME	580	501	510	506	**2,097**
ASBESTOS SURVEYS & REMOVAL	745	746	751	738	**2,980**
GARAGE SITE IMPROVEMENTS	426	426	429	422	**1,703**
ESTATE PATHS	388	320	322	316	**1,346**
IT SYSTEMS/INVESTMENT	500	0	0	0	**500**
ACQUISITIONS/BUY BACKS/DEMOLITIONS	443	100	100	100	**743**
COUNCIL HOUSE BUILDING PROGRAMME (COMMITTED)	5,917	640	530	0	**7,087**
COUNCIL HOUSE BUILDING PROGRAMME (UNCOMMITTED)	2,770	25,870	36,090	23,750	**88,480**
PRIVATE SECTOR HOUSING CAPITAL PROGRAMME	1,842	3,881	360	885	6,968
EMPTY HOMES / FLOOD LOANS AND GRANTS	360	360	360	0	**1,080**
RESIDENTIAL SITE INVESTMENT	1,340	3,521	0	400	**5,261**
DEMOLITIONS	142	0	0	0	**142**
HOUSING INVESTMENT	0	0	0	485	**485**

CAPITAL INVESTMENT	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
SUSTAINABILITY UNIT	**3,983**	**0**	**0**	**0**	**3,983**
NET ZERO CARBON	2,300	0	0	0	**2,300**
LAD SCHEME PHASE 2	1,683	0	0	0	**1,683**
REGENERATION & ENVIRONMENT CAPITAL PROGRAMME	**95,501**	**58,047**	**61,804**	**55,384**	**270,736**

ECONOMY & ENVIRONMENT CAPITAL SOURCES OF FUNDING	2022/23 PROJECTION	2023/24 PROJECTION	2024/25 PROJECTION	2025/26 PROJECTION	FOUR YEAR PROGRAMME TOTAL
	£'000s	£'000s	£'000s	£'000s	£'000s
CAPITAL RECEIPTS - GF	4,573	50	0	0	**4,623**
EARMARKED RESERVES	1,918	240	204	128	**2,490**
GRANTS & CONTRIBUTIONS	34,615	1,448	1,325	1,325	**38,713**
BORROWING	18,856	22,356	30,068	19,212	**90,492**
REVENUE CONTRIBUTION - GENERAL FUND	6,395	395	395		**7,185**
REVENUE CONTRIBUTION - HRA	9,271	8,724	9,084	8,484	**35,563**
USABLE CAPITAL RECEIPTS (HOUSING)	1,903	5,921	2,810	927	**11,561**
MAJOR REPAIRS RESERVE (HOUSING)	17,970	18,913	17,918	25,308	**80,109**
TOTAL REGENERATION & ENVIRONMENT CAPITAL PROGRAMME FUNDING	**95,501**	**58,047**	**61,804**	**55,384**	**270,736**

Appendix 2a - Spend profile of schemes being put forward for approval

Directorate	Project Name	Funding required	Extenal funding available	Scheme Total	Spend Profile 2022/23	2023/24	2024/25	2025/26
Corporate Resources	Annual Fleet Replacement 2022/23 (1 FY)	£1,491,405	£0	**£1,491,405**	£1,491,405	£0	£0	£0
	Council-Wide Service Delivery Systems – 22/23							
	-Capita E start	£7,000	£0	**£7,000**	£7,000	£0	£0	£0
	-Server Performance Application Monitoring	£60,000	£0	**£60,000**	£60,000	£0	£0	£0
	-PNG upgrade and resilience	£10,000	£0	**£10,000**	£10,000	£0	£0	£0
	-Land & Property data	£70,000	£0	**£70,000**	£70,000	£0	£0	£0
	-Regulation & Enforcement IMS	£100,000	£0	**£100,000**	£100,000	£0	£0	£0
	-Urban Traffic control system	£160,000	£0	**£160,000**	£160,000	£0	£0	£0
	-Client Caseload Information system CCIS	£30,000	£0	**£30,000**	£30,000	£0	£0	£0
	-Attendance monitoring	£27,000	£0	**£27,000**	£27,000	£0	£0	£0
	-Artificial Intelligence	£120,000	£0	**£120,000**	£120,000	£0	£0	£0
	-DIPS Upgrade	£140,000	£0	**£140,000**	£140,000	£0	£0	£0
	-Existing Budget	-£83,300	£0	**-£83,300**	-£83,300	£0	£0	£0
	Customer Relationship Management System Replacement	£350,000	£0	**£350,000**	£350,000	£0	£0	£0
	Rose Hill cemetery extension	£220,000	£0	**£220,000**	£70,000	£150,000	£0	£0
	Secure and Resilient Technology							
	-Cyber Security technology	£750,000	£0	**£750,000**	£450,000	£100,000	£200,000	£0
	-Infrastructure Technology	£900,000	£0	**£900,000**	£650,000	£250,000	£0	£0
	-Telephony Transformation	£250,000	£0	**£250,000**	£250,000	£0	£0	£0
	-HRA Contributiom	-£490,000	£0	**-£490,000**	-£490,000	£0	£0	£0
	Programme Contingency	£5,000,000	£0	**£5,000,000**	£5,000,000	£0	£0	£0
Corporate Resources Total		**£9,112,105**	**£0**	**£9,112,105**	**£8,412,105**	**£500,000**	**£200,000**	**£0**
Economy & Environment	Cusworth Hall – Works arising from current condition survey (West Wing; Gatehouse; Drainage; Bowling House)	£2,100,000	£0	**£2,100,000**	£1,600,000	£500,000	£0	£0
	E&E Street Scene 2022 Equipment	£576,385	£0	**£576,385**	£576,385	£0	£0	£0
	Fixed Play Facilities Modernisation	£850,000	£0	**£850,000**	£212,500	£212,500	£212,500	£212,500
	Improvements to lake surrounds at Sandall Park and Askern Lake	£877,600	£0	**£877,600**	£877,600	£0	£0	£0

Directorate	Project Name	Funding required	Extenal funding available	Scheme Total	Spend Profile 2022/23	2023/24	2024/25	2025/26
	Integrated Transport Block	£0	£5,300,000	**£5,300,000**	£1,325,000	£1,325,000	£1,325,000	£1,325,000
	LTP Highways and Bridges Maintenance Capital Programme 2022/23	£0	£6,305,189	**£6,305,189**	£6,305,189	£0	£0	£0
	North Bridge Depot – Re-piping of Block A Heating	£132,000	£0	**£132,000**	£132,000	£0	£0	£0
	North Bridge Street Scene Parking Area Resurfacing	£49,182	£0	**£49,182**	£49,182	£0	£0	£0
	Road Improvement and Safety Fund	£6,000,000	£0	**£6,000,000**	£6,000,000	£0	£0	£0
	Retained Buildings Budget	£493,000	£0	**£493,000**	£493,000	£0	£0	£0
	Strategic Acquisition Fund	£1,700,000	£0	**£1,700,000**	£1,700,000	£0	£0	£0
Economy & Environment Total		**£12,778,167**	**£11,605,189**	**£24,383,356**	**£19,270,856**	**£2,037,500**	**£1,537,500**	**£1,537,500**
Learning Opportunities, Skills & Culture	High Needs Block for SEND and Inclusion	£0	£1,065,000	**£1,065,000**	£1,065,000	£0	£0	£0
	School Capital Condition Programme	£0	£1,000,000	**£1,000,000**	£1,000,000	£0	£0	£0
Learning Opportunities, Skills & Culture Total		**£0**	**£2,065,000**	**£2,065,000**	**£2,065,000**	**£0**	**£0**	**£0**
Grand Total		**£21,890,272**	**£13,670,189**	**£35,560,461**	**£29,747,961**	**£2,537,500**	**£1,737,500**	**£1,537,500**

Appendix 2b – Capital Schemes to be put forward for approval

Corporate Resources

Annual Fleet Replacement 2022/23

£1.5m requires internal funding

This funding is required to deliver the next interim phase of the fleet replacement. During the next year further work will be undertaken to finalise the fleet replacement programme until 2029 and identify the funding required for the remainder of the period. This also relies on the pricing index of vehicles and fleet acquisitions to be financially static enough to give confidence in longer-term estimates.

This next phase follows on from the Fleet Replacement Programme Tranche 1 and 2, which is now ending and brought back the fleet into a reasonable position in relation to fit for purpose, efficient, and financially acceptable whole life vehicle costs.

This will provide funding specifically to increase our electric vehicles in the fleet, including 3 small/medium electric vans planned for 2022/23. The other vehicles requiring replacement during this phase include a Gritter, road sweepers and 16 ride on mowers; unfortunately, an electric alternative currently isn't available, within the timescales or cost envelope. Discussions will continue to progress with the relevant service, prior to ordering, to ensure the vehicles are essential for service delivery in the future.

Council-Wide Service Delivery Systems – 22/23

£0.6m requires internal funding but there is a £15k contribution from the HRA for this scheme. The £15k forms part of the £500k total for the IT Sytems/Investment scheme in Public & Private Sector Housing section.

This scheme relates to the procurement and implementation of new and/or replacement council-wide service delivery systems, supporting the key priority to maximise the use of innovation technology and digital ways of working to support the delivery of all priorities, service delivery and modern, accessible customer interactions.

Combining these requirements into a single capital bid to be managed by Customers, Digital & ICT in conjunction with the Technology Governance Board (TGB) will continue to support effective ICT governance and control across the organisation, ensuring the capital funding is used in a coordinated way to deliver systems to meet the strategic objectives of the Council.

The total is broken down into:-
- eStart (£7K)
- Server Performance and Application Monitoring (£60K)
- Land & Property Data (£70K)
- Regulation & Enforcement Information Management System (£100K)
- Urban Traffic Control (UTC) System (£160K)
- Client Caseload Information System – CCIS (£30K)
- Care Attendance Monitoring (£27K)

- Artificial Intelligence (£120K)
- Social Care System Upgrade (£140K)

Customer Relationship Management System Replacement

£0.4m requires internal funding

Doncaster Council's current Customer Relationship Management (CRM) system, Verint (LAGAN) contract commenced on 24th April 2012 and is due to end on 31st March 2022. A contract waiver is also underway to extend until March 2023. After this date, there are no further options to extend and all extensions will have been utilised, therefore a procurement exercise will be necessary to replace/renew the existing system before this deadline. High-level points:

- Existing solution is no longer fit for purpose, has limited functionality and is difficult to maintain, which impacts our ability to be dynamic in response to business change requirements and ultimately the service we deliver to our citizens.
- All the on premise infrastructure is approaching end of life
- Solution is becoming more difficult to maintain, consuming resource at an unacceptable rate and is becoming difficult to sustain.
- The current solution adds additional complexity around security, management and again this will become difficult to sustain moving forward
- New technology needs to be implemented to further enhance our digital services and continue maturity in-line with citizens/partners demands and expectations. (eg Artificial Intelligence & business insight, sentiment analysis and Robot process automation)

A comprehensive options appraisal is currently being completed that analyses the current situation, identifies the risks and opportunities, tests the market, benchmarks against others, proposes the best way forward and provides a business case including benefits realisation. Then an informed decision can be made to move forward.

An existing CRM budget in the capital programme is being reviewed to ensure it doesn't duplicate the new bid.

Rose Hill cemetery extension and drainage

£0.2m requires internal funding (this is £200k in relation to the extension and £20k in relation to drainage)

Rose Hill Cemetery is nearing the end of its existing capacity for burial space.

There is approximately 4 years of burial space left. This may be extended slightly (1 year maximum) by utilising small grass paths and other small areas not originally intended for burial. However, maintaining a dignified and well managed site with good access would mean utilising these spaces should be considered far from ideal.

An area in front of Rose Hill, along Cantley Lane at the junction with Ascot Avenue has been identified and provisionally allocated as an extension site. At current usage rates, it is estimated that this area would add 20 years to the life of the cemetery.

The fencing from Rose Hill could be extended to encompass the site and the existing entrance from Ascot Avenue utilised in addition to the cemetery one that runs under the archway.

A detailed camera survey was undertaken to assess the full extent of repairs needed for the drains at Rose Hill. This survey revealed a number of instances where tree roots had begun penetrating the drains and also where the drains themselves had started to buckle and collapse. Much of the drainage system was laid using an asbestos bitumen type pipe that was commonly used in this area at the time. This has less resistance to roots and ground movement than clay pipe hence the problems being encountered now, which will continue and increase unless resolved.

If left untreated, the eventual cost for removal and replacement of the drains would be more expensive than the solution currently available. As the drains have not completely failed it is possible in most of the areas surveyed to re-round the pipes and reline with impervious strengthening (also avoiding the need to remove and dispose of asbestos). This would resolve the issues and prevent future more expensive repairs

Secure and Resilient Technology

£1.9m requires internal funding but there is a £475k contribution from HRA for this scheme. The £475k forms part of the £500k total for the IT Systems/Investment scheme in Public & Private Sector Housing section.

Investment in essential technology is vitally important in the years ahead to ensure that service delivery and business transformation can be enabled securely and safely in a digital age, that the security of our systems is to the highest standard required nationally, and technology change continues at pace to keep up with worldwide innovation.

Technology continues to enable business change and digital transformation. The fast pace of this change means we must ensure the technology that supports it evolves as well.

Throughout the recent Covid-19 pandemic transformation of the new modern workplace was accelerated, and the use of the latest technologies to work more mobile and securely became paramount in the Council’s response. As a result, the way we work has changed in the longer-term and the expectations of staff and citizens on how we deliver services has been transformed.

This capital bid ensures the continued investment to ensure our essential technology is secure, robust and fit for the future across the Council and Partners (including SLHD and DCST).

The scheme also links into the strategic theme of being a ‘Connected Council’ to develop the capabilities, resources, technology and knowledge needed to innovate in how we deliver services and work with communities and partners to improve wellbeing.

The key aspects of this bid cover infrastructure technology and telephony transformation. These include:

1. Protection and Backup technology - £750k
2. Hyperconverged Infrastructure Technology - £900k
3. Telephony Transformation - £250k

Economy & Environment

Cusworth Hall – Works arising from current condition survey (West Wing; Gatehouse; Drainage; Bowling House)

£2.1m requires internal funding.

All the works listed below will be delivered through the Council's Design Team. Wherever possible works will be completed by the Council's Public Buildings Maintenance Team, however the property is Grade I listed and therefore has specific requirements relating to repairs which may require suitably skilled heritage contractors to undertake work to the building fabric.

2022/23

> Reinstate the ventilated window openings with steel bars, we believe these were part of the original design
>
> Redesign guttering on café building
>
> Altering roof level, where 1907 extension was added to remove internal down pipe
>
> Repair or replace roof light in in late extension link corridor
>
> Replacement of the rotten windows and doors in the Hall using suitable alternatives approved by Planning and Conservation.

2023/24

> Structural repairs to the Gatehouse ceiling, joists and brickwork.

Street Scene 2022 Equipment

£0.6m requires internal funding (Please note there is a table containing the vehicles to be purchased if required). List of equipment to be further prioritised including reviewing any alternatives that would provide greater efficiencies through automation.

In recent years Street Scene has been required to make significant financial savings.

This had had a substantial effect on the amount of vehicles and plant that the service now operates with. The reduction in equipment has also had detrimental effect on the standards of maintenance across the Borough. In 2020 this situation was highlighted in a report by APSE detailing how the service is performing.

In 2021, additional revenue monies have been put into the service, out of a want to reverse these performance trends. This funding was predominantly earmarked for posts. There is presently a need for these human resources to have the necessary and appropriate mechanical resources to enable them to work effectively.

There is also a need to ensure that the service is operating with the most effective and efficient equipment available in order to meet the improvements required under the Environment Services Improvement Plan. This investment in equipment would enable Street Scene to fulfil their commitments to Team Doncaster's 'Cleaner, Greener' agenda of which their operations epitomise.

The three areas within Street Scene where we have identified a need for enhanced vehicles and plan are; Street Cleanse, Grounds Maintenance and the Tree Team:

Street Cleansing

Throughout the past year, both nationally and locally, there has been an unprecedented increase in littering and fly-tipping. In order to respond to these demands there is a need to improve the efficiency and effectiveness of our cleanse operations.

In their review of the Service, APSE stated; 'The manual street cleaning element needs to achieve a deeper level of cleaning'. The proposed investment in equipment would facilitate this and empower operatives to perform to the best of their ability.

Grounds Maintenance

An investment in grounds maintenance equipment will increase the Service's 'green fleet' and enable proactive work across the borough to ensure operative time is used most effectively and prevent the necessity of more time-intensive jobs.

Fine turf mowers and a new robot marker are required to meet the demand for the number of pitches to be marked and sports venues maintained.

Tree Team

The Mayor has recently pledged to significantly increase tree planting across the borough. This will have a significant impact on the Tree team and will require investment in equipment to meet the needs of an increase in trees across the borough, while also ensuring operations are as effective as possible to free up operative time.

Fixed Play Facilities Modernisation

£0.8m requires internal funding

A Play Strategy will be developed focusing on improving the health and wellbeing of young people through play in parks, ensuring a strategic overview of the provision of play facilities, produced in consultation with a range of stakeholders. The Play Strategy will set out the investment needs across the borough taking into account deprivation, health inequalities and the needs of our young people. The allocation of resources will also need to take into account health and safety and the condition of the current play equipment in the prioritisation.

The £0.8m will provide a block allocation which will be drawn down based on the approved Play Strategy and business case. The business case will also consider other funding available to ensure the Council investment is maximised, including section 106 funding and external grant funding available.

Improvements to lake surrounds at Sandall Park and Askern Lake

£0.9m requires internal funding.

This scheme is to improve the surroundings at 2 main lakes within Doncaster Council's parks and open spaces at Sandall Park and Askern Lake.

This will prevent further erosion of the banking, improve pathways around the lakes and enhance the safety of the sites.

Sandall Park, Wheatley.

The lake sits within the centre of the park and is a main attraction at one of Doncaster's largest and most popular parks. The active Friends of Group have over many years raised money to improve the park and spend thousands of hours each year maintaining and enhancing the park. A previous funding bid to carry out work to the lake surround several year ago was unsuccessful and since then the edging has deteriorated further. The lake is used by a licensed fishing club and there are safe locations and stages spaced around the lake for this activity.

The banking around approximately 50% of the lake (South and East sides) is eroding and has little support to stabilise the concrete strip around the edge. There is little or no means to prevent public going right to the lake edge, potentially standing on an unstable edge where this may have been eroded beneath.

This section of the lake along the South and East side would have 4m long sheet piles driven into the lake to create a wall effect. The sheet piles would then be cut off to ground level and back filled with a suitable hard-core type material. Concrete coping edges will be installed along the newly created lake edge with the old concrete edges removed. The area between the new lake edge and the existing ground will be reinstated. This will then provide a stable and safe area to allow volunteers and staff to regularly clear debris accumulating in the corner of the lake.

There is a tarmac path around the edge of the lake which is repaired and patched as necessary to keep it safe and open for public use. However, this is a short-term fix. This footpath was not identified as requiring a full resurface as part of the park footpath resurfacing work paid for through a capital bid 3 years ago, but has since deteriorated. Footpaths around the whole of the lake edge would be resurfaced. Totalling 1,200m.

The North and West sides of the lake surrounds are of a gabion basket construction, already have foundations and provide support, so no work is required there.

A flight of stone steps lead from the lake footpath up a banking towards the football pitch area. These steps have a small retaining wall along certain sections of the grass bank and a landing area mid-flight. The works would include repairs to the retaining walls, replacing any missing stones, securing stones, pointing and refurbishing the whole flight of steps. Prior to the work taking place the need for the steps will be reviewed.

Askern Lake

Since the area reverted back to DMBC responsibility (was previously leased to Askern Town Council) repairs have been carried out on a piecemeal approach over the last few years. Parts of the footpath have been resurfaced where they have deteriorated badly. Askern Town council installed fishing stages along the west side of the lake.

The southern end of the lake repeatedly floods over the footpath causing people to walk on the banking area to avoid the water. This is not ideal as the bank becomes a muddy mess and leads to people slipping and falling. The copings and footpath have sunk over several years leaving this section of the footpath and lake edging somewhat lower than the water level, this is predominately worse in winter as the lake level rises. The level of the footpath and copings will be raised to above the winter water level.

The coping stones along the southern and east side of the lake have been patched up where the joint between the stones and tarmac path has widened. This is an ongoing maintenance issue.

Rowing boats are used on the lake during the summer months and part of this scheme would be to install a jetty type landing in front of the boathouse to allow for easier lowering/hauling of the boats in and out of the water, thus reducing any manual handling issues.

At the same time as the new copings along the eastern side 3 new fishing stages would be installed. These would enable fishing to take place without equipment being placed on the footpath and causing potential obstructions.

Following the installation of the new coping stones and raising of the levels at the southern edge the surrounding footpaths will be resurfaced. The footpaths will incorporate solar powered spot lights to help define the paths during darkness.

Access will be created across the southern end of the site to the adjoining field area using a ‘grass guard’ system where there is a subbase of hard-core installed followed by a plastic mesh in filled with soil which allows grass to grow through. This then has the appearance of grass but an increased strength allowing vehicles to cross without churning up the grass and causing damage. The field is accessed several times a year for holding events and fairs, this is the only access route.

The western bank is stabilised with existing gabion mattresses and concrete support bedded on the base of the lake so requires no work at this time.

Retained Buildings Budget

£0.5m requires internal funding.

The scheme will include significant works to the following Council assets to bring them back to an acceptable standard and continue to be used to deliver front line services in a safe and suitable environment:

Adwick Acorns Family Hub	Replacement of boilers and replacement of windows	£90k
Balby Community Library	Replacement of the frontage of the building	£60k
Cantley Library	Replacement of cladding and windows and replacement of fuse boards	£50k
Central Children's Centre	Replacement lighting throughout the building	£60k
The Redmond Centre	Full plant room refurbishment, replacement of all heating emitters and replacement of heating distribution pipework	£18k
Tickhill Library	Replacement lighting	£20k
Wheatley Children's Centre	Replacement windows, replacement lighting and installation of mechanical ventilation	£160k
Woodlands Library	Replacement ventilation system	£35k

Integrated Transport Block

£5.3m fully grant funded

Transport is a key element to restart, recovery and renewal. The programme allows us to provide improved road safety, traffic management access to employment. It will also support the delivery of the transforming cities programme which will provided improved public transport and expansion of active travel networks.

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.

LTP Highways and Bridges Maintenance Capital Programme 2022/23

£6.3m fully grant funded

The Council has a statutory duty under the Highways Act 1980 to provide a safe and serviceable highway network which is fit for purpose and should reflect changes in usage and demand. There is a need to ensure that Bridges and Highway Structures are safe for use and are strengthened or replaced to reflect changes in user demand

North Bridge Depot – Re-piping of Block A Heating

£0.1m internal funding required

Enquiries made as to whether this would be suitable to be included within decarbonisation programme.

It is proposed to remove the single pipe system and uneconomical radiators and install ceiling mounted heating convectors via fully insulation carbon crimp pipework. Heat supplied by the new boiler would be thermostatically controlled room by room.

North Bridge Street Scene Parking Area Resurfacing

£0.1m internal funding required.

Removal of existing loose and poor surface and provide and lay 70mm of 20mm SMA Asphalt to create a new and improved parking/traversing surface area for the parking and storage of Street Scene vehicles, plant and machinery covering an area of 1690 Square Metres within North Bridge depot.

Road Improvement and Safety Fund

£6.0m internal funding required.

The Council has the statutory duty to provide a safe and serviceable highway network (1,000 miles in length) to ensure it is fit for purpose plus various statutory duties related to road safety, including taking steps to reduce and prevent accidents, promoting road safety, and securing the safe movement of traffic and pedestrians.

In recent years, the budgets associated with Highways Maintenance and Road Safety and have been affected by austerity measures. The Council is proposing an injection of funds to make improvements to these service areas to the value of £5m for maintenance and £1m Road safety.

The maintenance funds will be allocated to the estate roads, which are the part of the highway network requiring the largest investment to improve their condition. A full scheme programme will be developed using the “worst first” principles of maintenance prioritisation. A similar programme of Road Safety interventions (schemes) will be developed using “worst first” principles alongside an allocation of the funds for smaller more local safety projects and activities.

Learning Opportunities, Skills & Culture

High Needs Block for SEND and Inclusion

£1.7m fully grant funded

Special educational needs and disabilities (SEND) block budget can be used for any schools with a suitable requirement, to be used for:

- Fencing works for safeguarding children away from gas works (£2,683)
- Development of confidential meeting space for Seedlings at Maple Medical (£40,000)
- Development of accessible toilets at Ivanhoe Primary Academy (£104,884)
- Development of In-house resources within existing mainstream schools (£750,000)
- Development of a Visual Impairment Unit within a secondary academy (£80,000)
- SEND Post 16 Development (£700,000)

Schools Condition Programme

£1m fully grant funded

The Schools Condition Programme delivers planned maintenance works across all the maintained schools, with the current focus on mechanical (new heating & water tanks), electrical (mains upgrades & classroom lighting) and fabric works (windows, external roofing, cladding & drainage)

Works are identified by Building Inspectors and annual scheduled inspections, priority is given to those identified as most at risk of failure leading to school closure. Alongside the allotted programme slots we also from time to time need to respond to urgent works where failure has occurred or is imminent and the risk of school closure is high.

Working with PBM or the appointed contractors, we will allocate appropriate times throughout the year when work can take place minimalizing disruption to the school. Annually this means the bulk of the work is concentrated around the summer holiday period allowing for significant closure of services and uninterrupted access to all areas. We will aim to deliver the entire programme however because of the intrusive nature of much of the maintenance works it is expected that some of the projects will be re-scheduled into the following year. This is because the summer holidays and 2 week Easter break offer the most effective window for Electrical and Mechanical works, especially since space within schools is at a premium and spare classrooms to move groups around are in short supply. There is the added complication that approved contractors will also be very much in demand as nationally all schools instigate work around the same periods throughout the year.

In order to effectively plan the programme a % of the allocated budget will be used to plan, design and programme the following year's projects. This will allow resources to be allocated internally and tenders for specialist external contractors undertaken to secure their services expediently.

Schemes which have been identified to form the 22/23 programme, it should be noted that the list is subject to change due to circumstances and the remaining jobs will be confirmed over the Autumn Term.

Mechanical Schemes

• Scawthorpe Sunnyfields, Lower School – Phase 4 heating replacement	£58,050
• Intake Levett Upper School - Boiler house refurbishment	£77,050
• Balby, Mallard School – New water heater, gas pipework and kitchen vent modifications	£61,500
• Maple Medical Centre – Replace heating emitters	£22,400
• Stainforth Kirton Lane School – Independent heating boiler for Nursery Block	£38,500
• Stainforth Long Toft School – Replace dining block heating boiler	£32,750
Total	£290,250

Electrical Schemes – Mains Upgrades

• Toll Bar – Classroom lighting upgrade • Warmsworth – Nursery Lighting upgrade • Balby Maple Medical PRU – Lighting upgrade and convectors • Sunnyfields – Phase 4 – including main hall lighting • Castle Hills – Fire Alarm • Adwick Park Upper School – LED Lighting upgrade	£35,000 £45,000 £40,000 £70,000 £35,000 £60,000
Total	£285,000

Fabric Schemes

• Mexborough Windhill – Final phase roofing (3rd) • Bentley Kirkby Avenue – Year 5 and 6 boys and girls toilets • Bentley Kirkby Avenue – Collapsed drain/uneven playground areas near grates • Sunnyfields – Phase 1, removal of skylights • Longtoft – ACO drainage channels in the boiler house, high water table • Hayfield Primary – Roof renewal	£100,000 £30,000 £5,000 £63,000 £2,000 £100,000
Total	£300,000

Contingency	£124,750
Total	**£1,000,000**

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Doncaster Council

Date: 16th February 2022

To the Chair and Members of Cabinet

Housing Revenue Account Budget 2022/23

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Councillor Glyn Jones	ALL	Yes

EXECUTIVE SUMMARY

1. This report sets out the Mayor's proposals for the 2022/23 Housing Revenue Account (HRA) Budget. The report focuses on the following key areas:-

   - the level of the Council's housing rents for 2022/23; the current average rent is £73.06 per week which is the lowest within South Yorkshire, rents will increase by 4.1% for 2022/23;
   - the Housing Revenue Account (HRA) budget proposals for 2022/23;
   - the medium term financial forecast for the HRA which includes estimated budgets for 2023/24, 2024/25 and 2025/26; 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 2022/23 is a balanced budget (income equals expenditure); and
   - the level of fees and charges for 2022/23 as detailed in paragraph 14.

EXEMPT REPORT

2. Not applicable.

RECOMMENDATIONS

3. Cabinet are asked to note the report and recommend to Council to approve the Housing Revenue Account budget proposals as set out in this report and including:-

   i. Rents are increased from 4th April 2022, by 4.1% as detailed in paragraphs 7 to 10 in line with Government policy. This will result in an average weekly rent increase of £3.00, resulting in an average rent of approximately £76.06 per week. Rents will be charged every week of the year.

   ii. The budget proposals for the HRA for 2022/23, 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 14.

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 increase. The proposals within this report mean that the existing tenants of these properties will pay higher rents in 2022/23. Increasing the rents in line with the Government's policy "Policy statement on rents for social housing" ensures that there is sufficient funding to continue to provide quality social housing maintained to the Doncaster decency standard and compliant with Building Safety standards. It also provides sufficient funding to support an ambitious investment programme, which will deliver significant numbers of new additional properties over the next 4 years.

BACKGROUND

5. The Housing Revenue Account budget for 2021/22 was approved on 1st March 2021. Since then the regular financial management reports to Cabinet have provided the latest projections of the 2021/22 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 properties are maintained to the Doncaster decency standard.

   In February 2019 the Government published "Policy statement on rents for social housing" and this document sets the principles of rent setting for the next 5 years from 1 April 2020. The Regulator of Social Housing (RSH) monitors compliance with the policy.

BUDGET PROPOSALS 2022/23

6. The Budget proposals for 2022/23 are shown in detail at Appendix A. The key features are as follows:-

   a) An increase in rents of 4.1% with effect from 4th April, 2022 (see paragraphs 7 to 10 for more details);

   b) Dwelling rent income is expected to be £3.1m higher at £78.0m due to the effect of the rent increase 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).

   d) The majority of HRA services are provided by St. Leger Homes of Doncaster (SLHD). The management fee paid to SLHD is increased by a net £1.5m to reflect increases in salaries (pay award), inflationary increases and other changes. Efficiency savings have been made from within SLHD of £0.33m and the management fee has been reduced to reflect this. The details of the SLHD management fee calculations are shown at Appendix B. The management fee paid from the HRA for 2022/23 is £34.2m;

e) Inflationary costs are estimated to be much higher in 2022/23 than they have been for a number of years. Estimated increased costs as a result of inflation are estimated at £3.6m.

f) The number of right to buy sales continues to be monitored and total sales to the 31st December 2021 were 59 giving an average of 1.51 sales per week (compared to 0.95 per week as of December 2020). A projected level of 120 sales, 40 new build and/or acquisitions and a void rent loss percentage of 1.25% have been used for calculating the rental income budget for 2022/23;

g) 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;

h) 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;

i) Following the tragic fire at Grenfell Tower in June 2017, there has been a considerable focus on building safety and compliance, especially in high-rise blocks of accommodation. St Leger Homes has undertaken a range of measures to improve and enhance safety in the high-rise properties and other homes at greater risk from any incident of fire. The Grenfell Inquiry has instigated a number of new national safety initiatives, and work is already ongoing to prepare for the emerging new legislation included in the Fire Safety Act and Building Safety Bill. The Grenfell Inquiry has also issued a phase 1 report. Landlords have been advised not to wait for the final legislation and to start to implement the recommendations. These documents see new responsibilities placed on landlords and building owners, including the introduction of an Accountable Person for each local authority, new Building Safety Managers and more stringent requirements relating to improvement works within existing buildings. There will also be a new independent Building Safety Regulator established and the need to prepare Building Safety Cases wherever one is required. Some actions have already been taken which include installation of sprinklers in all high-rise properties, a High-Rise Forum has been established to engage tenants and residents on building safety issues and the Building Safety Group has revised terms of reference to oversee this growing agenda. St Leger Homes have appointed a Head of Building Safety and a Building Safety Manager and additional funding has been included in the 2022/23 budget to increase the staffing resources within the Council's Health & Safety Team. Moving forward, there could be further implications on budgets in future years but at this time all known and required expenditure is budgeted for.

j) Legislation has been issued which requires all Council houses to achieve net carbon zero by 2050. This will require significant investment in the fabric of all properties, an initial high level report was completed during 2021 and it is estimated that the funding gap to achieve net zero carbon by 2050 is £314m. Capital investment in Council housing is funded through rent income and at this time it is unknown how this long term investment will be funded, all local authorities are in the same position and are working with Government and private investors to consider all options to bridge this funding gap.

The Government is working towards the publication of a revised Decent Homes Standard (the original standard was issued in 2000) and it is anticipated that the new standard will include revised standards for building safety and energy efficiency and will outline proposals of how the new standard will be funded. Part of the journey towards achieving Net Zero Carbon is the interim target of achieving Energy Performance Certificate (EPC) level C for all properties by 2030. This is measured by a SLHD Key Performance Indicator (KPI) and reported to Cabinet, current performance is 64.74%. There will be a small number of properties where it is not possible to achieve this target and work is ongoing to identify these.

k) In November 2020, the Government published the 'charter for social housing residents: social housing white paper'. This sets out the actions the Government will take to ensure that social housing customers are safe, are listened to, live in good quality homes and put things right when things go wrong. The RSH published in December 2021 a consultation paper on tenant satisfaction measures. The proposed measures will provide data about social housing landlords' performance and the quality of their services. This is intended to help tenants hold their landlord to account and help the RSH in its future consumer regulation role, as part of implementing the package of changes to consumer regulation set out in the Social Housing White Paper. It is not anticipated that there will be any financial implications as a result of these measures but this will be kept under review.

l) A prudent level of balances for the HRA is considered to be £4.0m. Any surplus funds in excess of this, £1.1m, 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 2022/23. This will maintain an estimated reserve within the HRA of £4.0m by 31st March 2023.

RENT LEVELS

7. In February 2019 the Government published "Policy statement on rents for social housing", which sets out the principles which must be followed for rent setting by all local authorities over the 5 years (2020/21 to 2024/25), the basic principle is that rents cannot increase by more than consumer price index (CPI) inflation from the previous September plus 1%. The rate of CPI in September 2021 was 3.1% therefore; rents cannot increase by more than 4.1%. This change follows four years of 1% rent reductions as dictated by the Welfare Reform and Work Act 2016.

8. The rent policy allows flexibility for providers to set rents at up to 5% above formula rent (10% for supported housing). At this stage, this flexibility is not applied in Doncaster. Compliance with the rent policy is monitored, checked and reported on by the RSH.

9. Rents in Doncaster are the lowest of all South Yorkshire Councils and 9th lowest in the Country based on the 2020/21 financial year (according to the latest published figures from RSH).

10. There are five different ways in which rents will change during 2022/23, (different types of rents are defined in paragraph 11);

Existing tenants (social rent) – rent will be increased by 4.1%;

New tenants into existing (social rent) housing stock – if the tenancy changes during 2022/23 the property will be relet at target rent;

New council housing, either new build or acquisitions (funded wholly from Council resources, social rent) – when new properties are completed these properties will be let at target rent;

New council housing, either new build or acquisitions (funded with an element of Government funding, 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 increased by 4.1% for existing tenants. If there is a change of tenancy, the property will be relet at a reviewed affordable rent. Affordable rents are reviewed on an annual basis and these calculations are used for any tenancy changes in the following financial year.

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. This figure is then inflated each year in accordance with Government policy. The 2022/23 figure is £78.62 per week. Target rent is £2.56 per week higher than actual rent.

12. Affordable rents – Affordable rent is defined as up to 80% of open market rent (affordable rents in Doncaster are charged at 80% of market rent). A qualified surveyor calculates these figures on an individual basis for each property. A number of properties, which are now in the HRA, have either been built or acquired with the assistance of some grant funding from Homes England (previously 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 £99.03 per week and this will increase to £103.09 per week in 2022/23.

13. The additional rent generated as a result of charging affordable rent on properties which have been built or acquired using an element of Government grant is £0.4m in 2022/23 and estimated at £1.6m over the four year period. The Government's rent policy states "Affordable rents are typically higher than social rents. The intention behind this flexibility is to enable properties let on this basis to generate additional capacity for investment in new affordable housing". These budgets enable approximately £95m of investment in new build housing over the next 4 years and this will be funded by 80% prudential borrowing and 20% from revenue funding.

FEES AND CHARGES

14. The following recommendations are proposed in respect of fees and charges for 2022/23:-

   a) That the charges for garages are increased by 3.0%.

   b) That the charges for garage sites remain unchanged as a three year price freeze was agreed in 2020.

   c) The biomass 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 6.4p per unit (plus VAT). The charges for heating should ensure that the scheme breaks even and in previous years that has been the case. In 2022/23 we are expecting that the price we pay for gas will increase by 55% and the price of biomass will increase by 22%. To protect tenants from unaffordable increases in their fuel costs, it is recommended that the charges are increased to 7.68p per unit (plus VAT) a 20% increase. We will monitor the price of wholesale gas carefully and keep the charges under review, but we want the district heating schemes to be self financing. The average annual charge for these properties is £356.

   d) The district heating charge for properties on the Balby Bridge estate will increase to 7.68p per unit (plus VAT). The average annual charge for these properties is £234.

   e) 40 properties at Milton Court do not have individual meters, the current charge is £7.06 (bedsits), £7.16 (one bedroom) or £7.49 (three bedroom) per property per week and will also increase by 20% to £8.47, £8.59 or £8.99 per week.

   f) The current enclosed garden charge is between £2.65 and £4.38 (inclusive of VAT) per week dependent on the size of the garden. It is proposed that these charges are simplified and increased by an inflationary amount or reduced so that there are only 3 different charges and they will be £2.76, £3.48 and £4.26. This service is an optional service, it is not eligible for housing benefit or universal credit and it is available to all tenants. It is available as a whole year service (charged every week) or as a part year service (charged for 34 weeks).

   g) A new charge for furnished tenancies has been approved in 2021/22 and it is not proposed to increase this charge in 2022/23. This service has been introduced as part of the “Keys to your Future” project which assists young people leaving care to live independently.

   h) 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.

Fee	Current Charge 2021/22	Proposed Charge 2022/23	Budget Implication
Garages	£5.63 per week (charged every week)	£5.80 per week (charged every week)	£3,590
Garage charges to non tenants	£6.76 per week (charged every week)	£6.96 per week (charged every week)	£3,732
Garage Sites	£1.00 per week	£1.00 per week	Nil
Garage site charges to non tenants	£1.20 per week	£1.20 per week	Nil
District Heating – Balby Bridge	6.40p per unit (excluding VAT)	7.68p per unit (excluding VAT)	Income dependant on usage
District Heating – Milton Court Bedsits One bedroom Three bedroom	 £7.06 per week £7.16 per week £7.49 per week	 £8.47 per week £8.59 per week £8.99 per week	£3,027
District Heating – Ennerdale	6.40p per unit (excluding VAT)	7.68p per unit (excluding VAT)	Income dependant on usage
Enclosed Garden Service (inclusive of VAT)	£2.65 £3.33 £3.60 £4.11 £4.38 (charged every week or 34 weeks)	£2.76 £3.48 £3.48 £4.26 £4.26 (charged every week or 34 weeks)	Income dependant on usage
Furniture charge (only available as part of Keys to your future project).	£7.16 per week	£7.16 per week	Nil

15. 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.

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 6,808 UC claimants in the Council's housing stock. At some point between 2022 and 2024, 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 9,500 Council tenancies and will require approximately £32.7m of rent to be collected from tenants which has previously been paid directly to the HRA via housing benefit. By March 2022 it is anticipated that 7,000 tenants in Doncaster will have moved over to UC. The value of the rent which will need to be collected from these tenants during the 2022/23 financial year (which was previously paid direct via housing benefit) will be apx £24.0m.

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

16. Two options were considered for the rent increase in 2022/23;
Option 1 (recommended option) – A 4.1% rent increase which is in accordance with Government policy. This keeps rents in Doncaster the lowest in South Yorkshire and ensures that there are sufficient resources available to deliver day to day services and the investment/capital programme which includes significant expenditure on energy efficiency works, building safety improvements and new build council houses. Each 1% rent increase generates just over £0.7m per year. Over a four year period rent increases based on CPI plus 1% for 2022/23, 2023/24 and 2024/25 and CPI for 2025/26 generate additional rent income of £8.1m.

Option 2 – A rent increase which is lower than 4.1%. The impact of inflation on costs for the 2022/23 financial year is £3.6m and inflation is projected to remain high in the medium term. In addition, there are also higher expectations in terms of the standard of properties and in relation to building safety and compliance. A rent increase of less than 4.1% could result in reductions in services to tenants at a time when the demand for services and investment is higher than ever before.

REASONS FOR RECOMMENDED OPTION

17. 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 increase of 4.1% allows the Council to fulfill its financial obligations in relation to the HRA in both the long and short term.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

18.

	Outcomes	Implications
	Doncaster Working: 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; • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment	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.
	Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage	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.
	Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work	A safe and warm living environment is an excellent foundation from which children, young people and adults can prosper.
	Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes	SLHD works closely with the Council's stronger families team. The tenancy sustainment team also works with tenants to help them sustain their tenancies. A significant amount of investment is made each year in aids and adaptations to tenants' homes to enable them to live there in a safe and comfortable environment.

	Connected Council: • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	Housing services in Doncaster 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.

RISKS AND ASSUMPTIONS

19. The table below identifies the main quantifiable risks, which might result in the actual income and expenditure in 2022/23 being significantly different from the estimates and proposed actions to manage/mitigate them;

Risk/Assumption	Probability	Impact	Proposed Action
Increase in rent arrears	Medium	Increase in provision for bad debt and less money available to spend on services for tenants.	Increased focus on rent collection, financial advice and tenancy sustainment. Bad debt provision of £0.5m.
Costs increase by more than income. If costs increase by 1% more than income, this creates a £0.7m budget gap.	Medium	Less money available to spend on services for tenants.	Maximum rent increase approved and costs are monitored and controlled.
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.
Empty properties (voids) exceed the assumed level of 1.25% of the rent debit (£0.987m income reduction for the year) by 0.25% of rent debit.	Medium	Income reduction £0.197m	Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high.

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 31.01.22]

20. 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.

    The proposed rent increase outlined within the body of the report in line with that allowed by Government policy.

    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: 28.01.22]

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

HUMAN RESOURCES IMPLICATIONS [Officer Initials: SH Date: 28.01.22]

22. There are no HR implications within the body of the report.

TECHNOLOGY IMPLICATIONS [Officer Initials: PW   Date: 28.01.22]

23. There are no direct technology implications as a result of this report. As outlined in Appendix B, the SLHD management fee calculations include increased costs for cyber security. SLHD are represented on the 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 and appropriate.

HEALTH IMPLICATIONS [Officer Initials: KT   Date: 28.01.22]

24. This report sets out the proposals for the 2022/23 housing revenue account (HRA) budget, including a 4.1% rental increase following an increase of 1.5% in 2021/22. The choices the council makes in both raising and allocating budgets will affect the health of the population. Socioeconomic factors, such as housing, economy and income are major determinants of health and in order to increase the wellbeing of the local population in the long term it is important that the decisions we make promote health and wellbeing. The decisions within this budget report have mixed implications for health. Providing secure, good quality and affordable housing can help to reduce poverty and inequality locally and our council houses play an important part in addressing inequality by providing affordable places for people to live. Raising sufficient resources to ensure all council homes are improved and maintained to the Doncaster decency standard, build new council housing stock and improve the energy efficiency of the existing stock will have a positive impact on the health and wellbeing of tenants. Covid-19 continues to have a significant impact on the economic wellbeing of some of our residents alongside the end of the £20 uplift to universal credit and the ending of the national coronavirus job retention scheme. It is also expected that issues will be compounded by the current increasing inflation rates alongside the increase in the energy price cap. Even small increases in household expenditure may contribute to the financial pressures facing some households who are “just about managing” and will affect those with least money the most. The health foundation (2018) states that an inadequate income can cause poor health because it is more difficult for people to avoid stress and feel in control, access experiences and material resources, adopt and maintain healthy behaviours and invest in their future. The impact of the changes to household rent should be closely monitored, not only to identify and support those at risk, but to also ensure that the impact is fully understood and mitigated, especially for our most vulnerable residents. In particular, the mitigating actions should seek to identify and actively seek to help those most at risk of inequalities and the “seldom heard” who may not always be able to access support easily and may be adversely affected by the increase in rent due to it compounding other financial issues. For example, those with disabilities and long term physical and mental health conditions, people from ethnic minority backgrounds and recent immigrants, people on low incomes, carers, people with low educational levels or literacy and some older people. It is important to ensure that tenants know how to access existing preventative and supportive tenancy services to enable them to manage and maximise their finances in light of the changes to universal credit, pressures from covid-19 and increases in inflation and energy prices, to support them if they struggle or fall into arrears.

EQUALITY IMPLICATIONS [Officer Initials: JC Date: 28.01.22]

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

CONSULTATION

22. Directors and Cabinet have considered the budget proposals at several meetings between October 2021 and December 2021. Key dates in the budget timetable leading up to Council approving the budget on the 28th February 2022 are detailed below:-
    - Overview & Scrutiny Management Committee (OSMC) – Budget briefing session 27th January 2022 and OSMC meeting 10th February 2022.
    - The Chair of the Overview & Scrutiny Management Committee has responded to the Mayors budget proposals and supports the proposals.
    - Labour Group – Budget Consultation 25th January 2022.
    - Budget sessions with Group Leaders February 2022.

23. 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), SLHD Tenant Board Members and representatives from Tenants and Residents Associations (TARAs) on 28th January 2022. Views were also sought from a further 93 tenants via a survey.

24. Tenants think that Council rents in Doncaster are excellent value for money (and this is reflected in Tenant surveys 94.2% are satisfied that their rent provides value for money). They thought that the increase in rent was reasonable although these are tough times financially.

25. 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 are keen to be involved in further consultation about the standard of homes going forward.

26. Tenants were pleased to hear that the Council is investing significantly in additional Council houses as they know that there are many people that would benefit from homes of an excellent standard with good services.

27. 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

- Policy statement on rents for social housing, February 2019. Issued by Ministry of Housing, Communities and Local Government (MHCLG)
- Fire Safety Act
- Grenfell Phase1 Report Phase 1 report | Grenfell Tower Inquiry
- Building Safety Bill
- Social Housing White Paper – "The Charter for social housing residents"
- RSH Consultation on the Introduction of Tenant Satisfaction Measures
- Cabinet report 1st December 2021 – 2021/22 Quarter 2 Finance and Improvement Performance Report. i cab 011221 - Q2 Finance Performance Report Pack for Cabinet.pdf (moderngov.co.uk)

GLOSSARY OF ACRONYMS AND ABBREVIATIONS
CPI – Consumer Price Index
HRA – Housing Revenue Account
RSH – Regulator of Social Housing
SLHD – St Leger Homes of Doncaster
TARA – Tenants and Residents Association
TRIP – Tenants and Residents Involvement Panel
UC – Universal Credit
VAT – Value Added Tax

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Debbie Hogg
Director of Corporate Resources

Housing Revenue Account Budget 2022/23 to 2025/26

Description	Annual Budget OE 2022/23 £000s	Annual Budget OE 2023/24 £000s	Annual Budget OE 2024/25 £000s	Annual Budget OE 2025/26 £000s
Expenditure				
Management and Maintenance				
Insurances	674	684	704	724
General Management	3,877	3,935	4,005	4,087
Special Services	219	219	219	219
Management Fee to St Leger Homes	34,206	35,093	35,789	36,829
Discretionary Housing Payments	111	111	111	111
Rent, Rates, Taxes & Other Charges	173	173	173	173
Capital Charges				
Depreciation on Council Dwellings	17,716	17,716	17,716	17,716
Depreciation on non dwellings	1,020	1,020	1,020	1,020
Provision For Bad or Doubtful Debts	508	523	541	560
Total Expenditure	**58,504**	**59,474**	**60,278**	**61,439**
Income				
Rent Income				
Dwelling Rents	-78,004	-80,236	-81,960	-83,081
Other Income	-1,280	-1,269	-1,248	-1,227
Total Income	**-79,284**	**-81,505**	**-83,208**	**-84,308**
Net Income from Services	**-20,780**	**-22,031**	**-22,930**	**-22,869**
Capital Charges				
Loan Charges - Interest	12,963	13,321	13,470	13,546
Interest Receivable	-73	-20	-20	-20
Net Operating Income	**-7,890**	**-8,730**	**-9,480**	**-9,343**
Appropriations				
Revenue Contribution To Capital Outlay	9,002	8,730	9,480	9,343
Transfer to / from Reserves	-1,112	0	0	0
Surplus (-) / Deficit for Year	**0**	**0**	**0**	**0**

HRA A/C BALANCE BF	**5,112**	**4,000**	**4,000**	**4,000**
Transfer to/from balances	**-1,112**	**0**	**0**	**0**
HRA A/C BALANCE CF	**4,000**	**4,000**	**4,000**	**4,000**

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SLHD Management Fee

	Note	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
Management fee		32,724	34,206	35,093	35,789
Growth items					
Inflationary increases					
Pay award	1	561	570	580	590
National Insurance	1	188			
Superannuation	2	0	200	0	0
Increments	3	59	50	50	50
Inflation	4	969	400	400	400
Cyber security	5	38			
Efficiencies delivered	6	-333	-333	-334	0
Total Management Fee		**34,206**	**35,093**	**35,789**	**36,829**

Details of the growth bids are;

1. Pay award - 2% pay award with effect from 1 April 2022 and then 2% in each of the following years.
1. National Insurance - The cost of the new Health & Social Care tax.

2. Superannuation - The pension fund was revalued in 2019. Employers contribution increased from 13.9% in 2019/20 to 16.0% in 2020/21. It has been assumed that there will be a further 1% increase in 2023/24.

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

4. Inflation - the increased costs for contracted goods and services. Inflation is calculated for each individual budget line and the vast majority of budgets have not been inflated, examples of some of the inflationary increases are materials at 5% (£300k), gas a t 55% (£147k), electricity at 38% (£104k) fuel at 20% (£91k), SLAs at 3.25% (£112k) and ICT contracts at 3% (£15k).

5. Cyber Security - This is SLHD's share of the increased costs for cyber security.

6. Efficiencies Delivered - efficiency targets agreed to repay the cost of investment in new IT systems.

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HRA Budget Report

1	**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.**	**HOUSING REVENUE ACCOUNT BUDGET 2022/23** **The Impact of Increasing Dwelling Rents for the Council's Housing Stock.** Doncaster Council is landlord to 20,309 properties of which 20,025 are socially rented and 284 are leasehold. The Housing Management responsibility for the stock has been delegated to St Leger Homes of Doncaster (SLHD) under a management agreement. In February, 2019 the Government published "Policy Statement on Rents for Social Housing" which regulates rent increases from 1st April 2020 for the next five years. For 2022/23 the rent increase will be 4.1% for all tenants meaning that the average rent will be £76.06 per week. 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 increasing of rents and sets out the measures to mitigate the impact on those groups. The rent increase of 4.1% will be applied to all tenancies irrespective of the tenant.
2	**Service area responsible for completing this statement.**	**St Leger Homes of Doncaster.**
3	**Summary of the information considered across the protected groups.** **Service users/residents** **Doncaster Workforce**	**Age** The rent increase of 4.1% 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; **Social Sector Size Criteria (bedroom tax);** Introduced 1st April, 2013, this welfare reform only applies to working age households and currently affects 1,265 tenants who are claiming Housing Benefit*. 980 tenants have to make up a 14% shortfall for their rent and 285 have a shortfall of 25% to make up. We are not aware of the number of households who 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 and also explains why the number of HB claimants affected by bedroom tax is reducing as people move on to UC. **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 9th January 2017 (£20k for families and £13,400 for single claimants). The current benefit cap affects 40 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. **Full Service roll out of Universal Credit from October 2017** Universal Credit *'Full Service'* was implemented in Doncaster on 11th October 2017 and replaced the Universal Credit *Live Service* which had been operational since September 2015. From this point <u>all</u> 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 2022 the total number of cases claiming UC was 6,808. As at January 2022, there are approximately 33% pension age tenants and 67% working age Disability Of the 19,876 people who answered this question on our insight forms, the number of customers who said they have a disability was 4,531, which equates to 22%. It is not anticipated that the increase in rents will adversely affect individuals based on their disability. The Housing Revenue Account also has a specific budget of £2.2m for adaptations to the homes of tenants that need adaptations.

		Ethnicity 16,590 of our tenants identify as White British – which equates to 83%. 750 (4%) identify as BAME customers. Information is not currently available for the remaining tenants, with 2,536 (13%) tenants declining to provide this information. Translation services are offered where requested and every effort is made to ensure that tenants understand their tenancy agreements and any other legal documents. Sign-posting to support services and assistance in obtaining help is also available. Gender It is not anticipated that the increase in rents or under occupation charge will adversely affect individuals based on their gender. Male and Female residents will be equally affected. 12,573 of our tenants have identified as Female (64%) and 7,178 (36%) as Male. Sexual Orientation It is not anticipated that the increase in rents will adversely affect individuals based on their sexual orientation. Religion and Belief It is not anticipated that the increase in rents will adversely affect individuals as a result of any specific religion or belief they may have. Maternity and Pregnancy It is not envisaged that those residents who happen to be pregnant or on maternity leave will be adversely affected by the rent increase as a result of their pregnancy or maternity leave. Gender Reassignment It is not anticipated that the increase in rents will adversely affect individuals who have undergone gender reassignment.

		Marriage and Civil Partnership It is not anticipated that the increase 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.
4	**Summary of the consultation/engagement activities**	Directors and Cabinet have considered the budget proposals at several meetings between October 2021 and December 2021. Key dates in the budget timetable leading up to Council approving the budget on the 28th February 2022 are detailed below:- • Overview & Scrutiny Management Committee (OSMC) – Budget briefing session 27th January 2022 and OSMC meeting 10th February 2022. • The Chair of the Overview & Scrutiny Management Committee has responded to the Mayors budget proposals and supports the proposals. • Labour Group – Budget Consultation 25th January 2022. • Budget sessions with Group Leaders February 2022. Tenants think that Council rents in Doncaster are excellent value for money (and this is reflected in Tenant surveys 94.2% are satisfied that their rent provides value for money). They thought that the increase in rent was reasonable although these are tough times financially. 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 are keen to be involved in further consultation about the standard of homes going forward. Tenants were pleased to hear that the Council is investing significantly in additional Council houses as they know that there are many people that would benefit from homes of an excellent standard with good services. SLHD consult with their staff and unions on the proposals within the HRA budget that directly affect them. Once a decision has been made by Council on 28th February 2022, a letter will be sent to

		all Council tenants, which will give details of the rent change with effect from 4th April 2022.
5	**Real Consideration:** **Summary of what the evidence shows and how has it been used**	All Council tenants will be impacted from the rent increase. However, 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. The changes to welfare reform currently only affect tenants that are deemed to be of “working age”. 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 24 staff members during 2019/20 (and has remained the same since then) 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 rent increase is the same percentage increase for all tenancies, the rent is calculated based on the characteristics of the property and not with regard to the tenant.
6	**Decision Making**	This due regard statement has been made available to Members in advance of making any decisions on rent increases. The HRA Budget 2022/23 report to Council on 28th February 2022 asks the Council to agree the rent increase for the 2022/23 financial year with effect from 4th April 2022.
7	**Monitoring and Review**	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. 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.
8	**Sign off and approval for publication**	Julie Crook, Director of Corporate Services, St Leger Homes of Doncaster.

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Doncaster Council

Report

Date: 16th February, 2022

To the Chair and Members of CABINET

THE TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23 – 2025/26

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

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 2022/23 £671m). As borrowing rates are forecast to rise gently over the next 3 years, the primary borrowing strategy for new and replacement debt will be to adopt a hybrid approach (known as the barbell approach) and take out both long term and short term loans. This will remove some interest rate risk but also to ensure we are still benefitting from interest savings over the period of the report. The borrowing strategy is detailed in **paragraphs 26 – 70**.
   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 71 – 110.**
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 approves the Treasury Management Strategy Statement 2022/23 – 2025/26 report and the Prudential Indicators included.
5. Council approves the Minimum Revenue Provision (MRP) policy as set out in paragraphs 39 - 40 (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. 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. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
8. 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. On occasion, when it is prudent and economic, any existing debt may be restructured to reduce Council risk or generate savings.
9. The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity, or the ability to meet spending commitments as they fall due, either on day-to–day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget.
10. The 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".

11. For the Council to produce a strategy that is compliant with the statutory guidelines, a number of acts and guidance have to be taken into account.

12. The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following: -

    - A high-level long term 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 stability.

    It should be noted that CIPFA published updated Treasury Management and Prudential Codes on 20th December 2021, however, they stated that there will be a soft introduction of the codes with local authorities, with full implementation required for 2023/24. A brief outline of the requirements of the new codes are provided in **Appendix F** for information.

    However, the following needs noting; the requirement that an Authority must not borrow to invest primarily for financial return, which was always implicit in the previous code, is now explicit in the revised code with immediate adherence required if necessary. The Council confirms that we were already complying with this requirement.

13. The aim of the capital strategy is to ensure that all elected members of the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

14. There are five reports containing treasury information each year, which incorporate a variety of policies, estimates and actuals.

    a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
        - the capital plans, (including prudential indicators);
        - an MRP policy, (how residual capital expenditure is charged to revenue over time);
        - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
        - an investment strategy, (the parameters on how investments are to be managed).

    b. **Finance and Performance Improvement Report** – Quarterly report presented to Executive Leadership Team, Executive Board and Cabinet.
        - Details Treasury Management position at the end of each quarter
        - Interest rate levels
        - Under/Over borrowing position
        - Associated risks
        - Investment profile

15. All the above reports are scrutinised by the Overview and Scrutiny Management Committee.

16. The Treasury Management strategy for 2022/23 – 2025/26 covers two main areas: -

Capital Issues

a) the capital expenditure plans and the associated prudential indicators;
b) 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.

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

Training

18. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. No training has taken place during 2021/22 but it is currently planned to hold sessions in 2022/23.

19. The training needs of treasury management officers are periodically reviewed.

Treasury management consultants

20. The Council uses Link Treasury Services Limited, (known throughout the rest of this report as Link), as its external treasury management advisors

21. 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 the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

22. 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.

The Capital Programme Prudential Indicators 2022/23 – 2025/26

23. 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

24. 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 2022/23 – 2025/26 budget cycle.

	Actual	Estimates				
	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
Capital Expenditure						
General Fund (GF)	**49,427**	**67,007**	**103,531**	**29,270**	**25,483**	**17,247**
HRA	**18,869**	**23,288**	**38,082**	**56,666**	**61,008**	**55,619**
Total	**68,296**	**90,295**	**141,613**	**85,936**	**86,491**	**72,866**

25. The following table summarises the above capital expenditure plans and how capital or revenue resources are financing these plans. Any shortfall of resources results in a funding borrowing need.

	Actual	Estimates				
	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
Financing of Capital Expenditure						
Capital Receipts	6,796	10,295	12,493	8,458	3,110	1,227
Capital Grants	25,326	45,912	46,474	13,787	11,112	4,107
Capital Reserves		2,558	5,532	240	204	128
Revenue	23,597	23,329	41,536	29,932	29,297	35,692
Sub Total	**55,719**	**82,094**	**106,035**	**52,417**	**43,723**	**41,154**
Net Financing Need	**12,577**	**8,201**	**35,578**	**33,519**	**42,768**	**31,712**

Borrowing

26. The capital expenditure plans set out above and detailed in **Appendix 1** provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The Council's borrowing need (the Capital Financing Requirement (CFR))

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

28. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

29. The CFR does not increase indefinitely, as MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

30. The CFR includes any other long-term liabilities (e.g. Private Finance Initiative (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, Purchasing Power Parity (PPP) lease provider and so the Council is not required to borrow separately for these schemes. As at 31st March 2021, the Council had £44.0m of such schemes within the CFR:

	Actual	Estimates				
	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
Capital Financing Requirement						
GF	370,647	372,125	392,332	394,196	397,117	399,761
HRA	266,831	266,831	273,781	294,989	324,285	343,285
Total CFR	**637,478**	**638,956**	**666,113**	**689,185**	**721,402**	**743,046**
Movement in CFR	**3,953**	**1,478**	**27,157**	**23,072**	**32,217**	**21,644**
Represented by						
Net Financing Need (table above)	12,577	8,201	35,578	33,519	42,768	31,712
Less MRP/Other financing adjustment	**-8,624**	**-6,723**	**-8,421**	**-10,447**	**-10,551**	**-10,068**
Movement in CFR	**3,953**	**1,478**	**27,157**	**23,072**	**32,217**	**21,644**

31. The Council is forecast to have borrowed £462.9m as at 31/03/22 against a CFR (borrowing requirement) of £597.1m after allowing for its other long term liabilities, which means that the Council is currently forecast to be under-borrowed (see paragraphs 32 to 35) by £134.2m. This minimises external interest costs but may not be sustainable long term. Whilst this might seem like a high level of under-borrowing this is consistent with other similar Local Authorities.

Under-Borrowing

32. 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.

33. 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.

34. This position cannot be sustained in the long term. The reserves and balances may be needed and consequently the need to borrow will increase. This could be short-

term or long-term borrowing. The Council have been using a strategy of only utilising short-term borrowing opportunities from other authorities (who because they have restricted lending lists means they lend at rates lower than the Public Works Loan Board (PWLB) rates), but this has recently been reviewed. The strategy over the next few years is to utilise a hybrid approach of both short-term borrowing from other authorities and long-term borrowing from the PWLB, in order to remove some interest rate risk.

35. It should also be noted that the Council has decided to pre-pay its future service rate pension liabilities, at a discounted rate, for 2020/21 to 2022/23. The prepayment has been funded through borrowing. This prepayment had reduced the under-borrowed position, and these pension prepayment loans are now repaid.

Short-Term Borrowing

36. 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.

37. 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, which is why the strategy is being altered to more a hybrid approach.

38. 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, currently, is more than offset by the interest savings generated by not taking on the full borrowing requirement.

The Minimum Revenue Provision (MRP)

39. 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 taxpayers.

40. The Council's MRP policy is detailed at **Appendix B**. The selected methods are those that are most beneficial in each case and comply with Department for Levelling Up, Housing and Communities (DLUHC) regulations.

Core funds and expected investment balances

41. 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				
	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
Reserves balances	126,398	97,398	86,398	84,398	85,398	85,398
Capital receipts	17,839	17,839	17,839	17,839	17,839	17,839
Provisions	16,442	16,442	16,442	16,442	16,442	16,442
Capital Grants Unapplied	18,323	18,323	18,323	18,323	18,323	18,323
Total core funds	**179,002**	**150,002**	**139,002**	**137,002**	**138,002**	**138,002**
Working capital	-24,757	15,000	5,000	5,000	5,000	5,000
Under/over borrowing	71,572	134,259	115,812	93,008	112,120	113,160
Expected investments	**82,673**	**30,743**	**28,190**	**48,994**	**30,882**	**29,842**

Current Portfolio Position

42. 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 CFR. This helps to ensure that over the medium term borrowing is not undertaken for revenue purposes.

43. The Chief Financial Officer 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 31st March 2022 is expected to be £462.9m. This is split across two pools as shown in the table below. The borrowing need (CFR less long term liabilities) is £597.1m, which highlights that the Council will be under-borrowed by £134.2m (see paragraphs 32 to 35 above).

44. The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the CFR), which is adjusted for any long term liabilities for which we don't have a borrowing requirement for (see paragraph 30 above), highlighting any over or under borrowing.

Portfolio Position	Actual	Estimates				
	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
CFR General Fund	**370,647**	**372,125**	**392,332**	**394,196**	**397,117**	**399,761**
Other long-term liabilities (OLTL):	**-44,041**	**-41,847**	**-40,138**	**-38,429**	**-36,720**	**-35,011**
External Borrowing	265,859	217,425	244,624	276,937	275,676	292,990
Under-borrowed Position	60,747	112,853	107,570	78,829	84,720	71,760
Ave. Interest Rate	2.70%	2.57%	2.49%	2.40%	2.54%	2.58%
CFR HRA	**266,831**	**266,831**	**273,781**	**294,989**	**324,285**	**343,285**
External Borrowing	256,006	245,424	265,539	280,811	296,885	301,885
Under-borrowed Position *	10,825	21,407	8,242	14,178	27,400	41,400
Average Interest Rate	4.66%	4.79%	4.55%	4.37%	4.19%	4.15%
Total CFR less OLTL	**593,437**	**597,109**	**625,975**	**650,756**	**684,682**	**708,035**
Total External debt	**521,864**	**462,849**	**510,163**	**557,748**	**572,561**	**594,875**
Total Under-borrowing	**71,572**	**134,259**	**115,812**	**93,008**	**112,120**	**113,160**

*As there is no requirement to apply MRP to the Housing Revenue Account (HRA) borrowing, its under-borrowed position would only change because of a strategic change in the Council’s borrowing pool makeup or external borrowing position, e.g. increase/decrease in external debt.

45. Both debt pools have relatively low interest rates, which are expected to fall gradually between 2022/23 and 2025/26 as the new debt taken out will generally be at lower rates to the existing long term debt. The average interest rate on HRA debt is higher than the GF debt as that pool contains a higher proportion of older debt taken out at higher interest rates.

46. Treasury management decisions on the structure and timing of borrowing will be made independently for the general fund (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.

47. Following changes to the DLUHC 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.

Treasury Indicators: Limits to Borrowing Activity

48. 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

49. This is the limit beyond which external debt is not normally expected to exceed. For 2022/23, the limit is **£671.4m**. In most cases, this would be a similar figure to the CFR but may be higher or lower depending on the levels of actual debt. For example, in previous year’s Doncaster Council’s operational boundary included the Metropolitan Debt transferred from South Yorkshire County Council, which has now been repaid.

Operational Boundary	**Actual**	**Estimates**				
	2020/21 £k	**2021/22 £k**	**2022/23 £k**	**2023/24 £k**	**2024/25 £k**	**2025/26 £k**
CFR/Borrowing	637,478	638,240	671,397	694,469	726,686	748,330
Other long-term liabilities Met. Debt	2,380	0	0	0	0	0
Total	**639,858**	**638,240**	**671,397**	**694,469**	**726,686**	**748,330**

The Authorised Limit for external borrowing

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

51. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils’ plans, or those of a specific council, although this power has not yet been exercised.

52. Full Council are asked to approve a limit that allows the Council to borrow in advance of need for future planned expenditure relating solely to unfinanced capital expenditure in any future 3-year period. The Council does not borrow in advance and this would only be considered where interest rates were preferential and to avoid future interest rate risk. This would mean that the council would incur additional interest costs and principal repayments before benefiting from a developed asset. For 2022/23, the limit is **£628.028m.** This is shown in the table below and is calculated by the estimated level of borrowing expected on the 31st March 2023 plus a theoretical amount which represents the unfinanced capital expenditure planned for the next three years as shown in the tables in paragraph’s 25 & 30 above.

Authorised limit	Actual	Estimates				
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
	£k	**£k**	**£k**	**£k**	**£k**	**£k**
Borrowing	521,864	462,849	510,163	557,748	572,561	594,875
Other long-term liabilities – 'Met. Debt'	2,380	0	0	0	0	0
Theoretical amount	0	82,582	117,865	107,999	74,480	31,712
Total	**524,244**	**545,431**	**628,028**	**665,747**	**647,041**	**626,587**

Treasury Management Limits on activity

53. There are three debt related treasury activity limits, shown in **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

54. Part of the service provided by the Council's treasury advisors 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.

55. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021. Although both economic and interest rate forecasting remain difficult with so many external influences the forecast supplied by Link does not expect that Bank Rate will go up quickly after the initial rate rise as they believe the supply potential of the economy is not likely to have taken a major hit during the pandemic, therefore should, be able to cope well with meeting demand after supply shortages subside over the next year. The Link forecasts will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. There are a lot of factors to currently consider such as potential new coronavirus variants, growing pressure on inflation, and ongoing impacts of Brexit with potentially no trade deals.

56. 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.

57. There is also a sharp increase in the balance for 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.

Borrowing Strategy

58. As outlined above (in paragraphs 34-37) the borrowing strategy for the forthcoming period will move away from the recent borrowing on a short term basis only to a more hybrid strategy, known as the barbell approach. This strategy is a mixture of both short term and long term borrowing. The recent strategy has generated large interest savings for the Council as we have been under borrowed and if we have carried out any borrowing it has been on a short term basis at very low rates.

59. The revised strategy has been adopted in light of recent analysis which indicates that interest rates will begin to rise slowly over the next few years (see paragraphs 54-57). If some long term borrowing is secured now whilst the rates are still relatively low it removes some of the risk of future rate increases. Put another way, it is more advantageous to borrow now at the lower rates rather than wait until the current level of under borrowing can no longer be sustained i.e. the reserves and balances (internal borrowing) are no longer available and we are forced to borrow when the interest rates are forecast to be higher.

60. This strategy still allows for short term borrowing thereby delaying some of the borrowing as long as possible to generate interest savings. For example at the interest rate on the 14th January 2022 if we were to borrow the £133.5m (forecast under-borrowed amount as at 31st March 2022) from the PWLB over 5 years interest would cost £2.3m per annum and over 25 years it would cost £2.8m per annum.

61. 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, 58% of the Councils borrowings (as at 31.12.2021) are for terms between 30 and 50 years, which brings certainty of cost and minimises interest rate risk on almost half the portfolio.

62. The Council's current Loans and Investment portfolios are shown in **Appendix C.**

Transfer of Loans between Debt Pools

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

    - In the case of the HRA/GF having a requirement to fund its 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 GF wish to swap loans as a result of strategic decisions, this loan swap would also be undertaken at no internal premium or discount.

64. Where the HRA or GF has surplus cash balances, which allow either account to be funded internally, 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.

Policy on Borrowing in Advance of Need

65. 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, the Council does not borrow in advance.

66. 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 (CFR) over a three year planning period; and
- Would not look to borrow more than 36 months in advance of need.

67. 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

68. Any rescheduling activity will be reported in the next Finance and Performance Improvement Report to Cabinet.

Approved Sources of Long and Short term Borrowing

69. The Chief Financial Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time taking into account the relevant risks. It is likely shorter term fixed rates may provide lower cost opportunities in the short to medium term.

70. Our advisors will keep us informed as to the relative merits of available funding sources.

Annual Investment Strategy

Investment Policy

71. The Council's investment policy has regard to the Government DLUHC'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.

72. 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 & Poor's, with a full understanding of what the ratings reflect in the eyes of each agency. Using the Link ratings service, banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

73. 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.

74. The primary intention of the policy is to provide security of investment and minimisation of risk.

75. 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.

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

77. The DLUHC 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”

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

79. The above criteria is unchanged from last year.

Credit Risk Policy

80. 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 Chief Financial Officer. Not all counterparties will be active in the market at all times, therefore, it is important to have a good spread of available organisations.

81. The Council applies the credit risk assessment service provided by Link.

82. 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;
- Sovereign ratings to select financial institutions from only the most creditworthy countries.

83. The end product of this 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

Colour	Maximum Term
Red	6 Months
Green	100 Days
No Colour	Not to be used

84. **Appendix E** contains a table showing the relative credit worthiness of different financial institutions, maximum terms and maximum investment limits.

85. 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 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.

86. 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.

87. All credit ratings are monitored daily and changes to ratings are notified to us by Link creditworthiness service.

88. 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.

89. 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

90. 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.

91. 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.

92. 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

93. 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).

94. The bank rate is currently 0.25% with forecasts projecting regular increases to a position of 1.25% by March 2025.

95. 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.

96. The Council will pursue value for money with its investments and to measure this will use SONIA (Sterling Overnight Index Average), which is the risk-free rate for sterling markets administered by the Bank of England, as its investment benchmark. This has replaced the previously used LIBOR rate, which ceased at the end of 2021. We will also continue to use the investment benchmarking service offered by Link to compare our performance against our peers.

97. The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.

98. The balance of risks to increases in Bank Rate and shorter-term PWLB rates are broadly similarly to the downside. The Bank of England's forward guidance should be a good indicator of where interest rates are going.

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

Liquid Funds (approx. £15m)

100. This part of the portfolio should be managed at around £15m. This allows for the payment of payroll on dates within the year when grants are delayed due to the 15th being on a weekend (May 2022, October 2022 and January 2023).

101. 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. £25m)

102. 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.

103. 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)

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

- fixed deposits with banks in excess of 12 months.
- 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 the Councils minimum investment criteria, with a maturity in excess of 12 months.

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

106. Any new Non-Specified investment will require authorisation by the Chief Financial Officer. Details of minimum criteria and any additional due diligence required can also be seen in **Appendix E**.

107. 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.

	Maximum principal sums invested > 1 year			
£m	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Principal sums invested > 1 year	£20m	£20m	£20m	£20m

End of year investment report

108. At the end of the financial year, the Council will report on its investment activity as part of the Quarter 4 Finance and Performance Improvement Report

Policy on the use of external service providers

109. 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.

110. 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.

OPTIONS CONSIDERED

111. 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 £1.3m per annum. It should be noted that a proportion of the under-borrowed position has been used to prepay the pension contribution recently.	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

112. Option 1 is the recommended option to maximize external interest savings without introducing unacceptable risk.

113. 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**
	Doncaster Working: 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; • Better access to good fulfilling work	Treasury Management impacts on all the outcomes; it makes sure that

	Outcomes	Implications
	• Doncaster businesses are supported to flourish • Inward Investment	the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the Council's activities.
	Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage	
	Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work	
	Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes	
	Connected Council: • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	

RISKS AND ASSUMPTIONS

114. 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 Chief Financial 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.

115. 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 Council's 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 Council's treasury advisers and regular benchmarking. Investment strategies would then be adjusted by the Chief Financial 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 Council's minimum criteria. The Council will also 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: SRF Date 24/01/22]

116. 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.

117. 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: RI Date 22/01/22]

118. The treasury management budget required for 2022/23 has been reviewed and analysed over the following headings: -

	General Fund £'m
Costs	
Total Borrowing Costs	5.218
Other treasury management expenditure	0.089
Total Costs	**5.307**
Income	
Investment Interest	-0.115
Net Costs	**5.192**

119. The 2021/22 general fund budget was £5.908m for Treasury Management and after £0.716m of savings that have been included in the 2022/232 revenue budget proposals, the £5.192m 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 2021. Specific financial information is contained in the body of the report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials: RH Date 24/01/2022]

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

TECHNOLOGY IMPLICATIONS [Officer Initials: ET Date 24/01/22]

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

HEALTH IMPLICATIONS [Officer Initials: RS Date 25/01/2022]

122. 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: CR Date: 21/01/2022]

123. 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

124. 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.

125. 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

CIPFA Code of Practice on Treasury Management (Revised 2017).

CIPFA Treasury Management in the Public Services Guidance Notes 2018.

CIPFA Prudential Code for Capital Finance in Local Authorities (Revised 2017).

Localism Act 2011 (https://www.legislation.gov.uk/ukpga/2011/20/contents/enacted)

DLUHC Statutory Guidance Local Government Investments (3rd edition), April 2018.

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

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

Below is a list of all acronyms and abbreviations used throughout the report and their meaning in full.

MRP – Minimum Revenue Provision

CIPFA - Chartered Institute of Public Finance and Accountancy

CFR – Capital Financing Requirement

PFI – Private Finance Initiative

PPP – Purchasing Power Parity

PWLB – Public Works Loan Board

DLUHC – Department for Levelling up, Housing and Communities

HRA – Housing Revenue Account

GF – General Fund

CDS – Credit Default Swaps

NRFB – Non Ring-Fenced Bank

RFB – Ring-fenced bank

LIBOR – London Inter Bank Offered Rate

GMRA – Global Master Repurchase Agreement

SONIA - Sterling Overnight Index Average

ESG – Environmental, Social and Governance

SME – Small and Medium-sized Enterprise

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Faye Tyas
Assistant Director of Finance
Section 151 Officer

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2025/26

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	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
£m	**Actuals**	**Estimates**				
Adults, Health & Wellbeing	4,240	9,998	10,040	4,189	3,992	3,082
Corporate Resources	4,536	6,155	24,932	13,350	12,700	12,500
Learning, Opportunity, Skills & Culture	6,701	9,745	9,240	8,450	6,095	0
Economy & Environment	33,950	41,109	59,319	3,281	2,696	1,665
Non-HRA	**49,427**	**67,007**	**103,531**	**29,270**	**25,483**	**17,247**
HRA	**18,869**	**23,288**	**38,082**	**56,666**	**61,008**	**55,619**
TOTAL	**68,296**	**90,295**	**141,613**	**85,936**	**86,491**	**72,866**

Affordability prudential indicators

2) 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.

Ratio of financing costs to net revenue stream

3) 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.

	Actual	**Estimates**				
%	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Non-HRA	3.35%	2.35%	2.18%	2.23%	2.23%	2.31%
HRA	16.36%	16.68%	16.41%	16.40%	16.24%	16.12%

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

HRA ratios

	Actual	**Estimates**				
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
HRA Debt £m	256,006	245,424	265,539	280,811	296,885	301,885
HRA Revenues	75,272	76,339	78,825	81,042	82,741	83,837
% of Debt to Revenues	29.40%	31.10%	29.68%	28.86%	27.87%	27.77%

	Actual	Estimates				
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
HRA Debt £m	256,006	245,424	265,539	280,811	296,885	301,885
Number of Dwellings	20,080	19,987	19,907	19,793	19,678	19,558
Debt per Dwelling	12,749	12,279	13,339	14,187	15,087	15,435

Maturity Structure of Borrowing

5) 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	2021/22	2022/23	2023/24	2024/25	2025/26
Interest rate exposures					
	Upper	**Upper**	**Upper**	**Upper**	**Upper**
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%
Maturity structure of fixed interest rate borrowing 2021/22					
		Lower	**Upper**	**Actuals £k**	**Actuals %**
Under 12 months		0%	30%	60,004	13.71%
12 months to 2 years		0%	50%	5,000	1.14%
2 years to 5 years		0%	50%	36,168	8.26%
5 years to 10 years		0%	75%	11,820	2.7%
10 years and above		10%	95%	324,768	74.19%
Total				**437,760**	**100.00%**
Maturity structure of variable interest rate borrowing 2021/22					
		Lower	**Upper**	**Actuals £k**	**Actuals %**
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
Total				**0**	**0%**

Minimum Revenue Position (MRP) Policy Statement

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

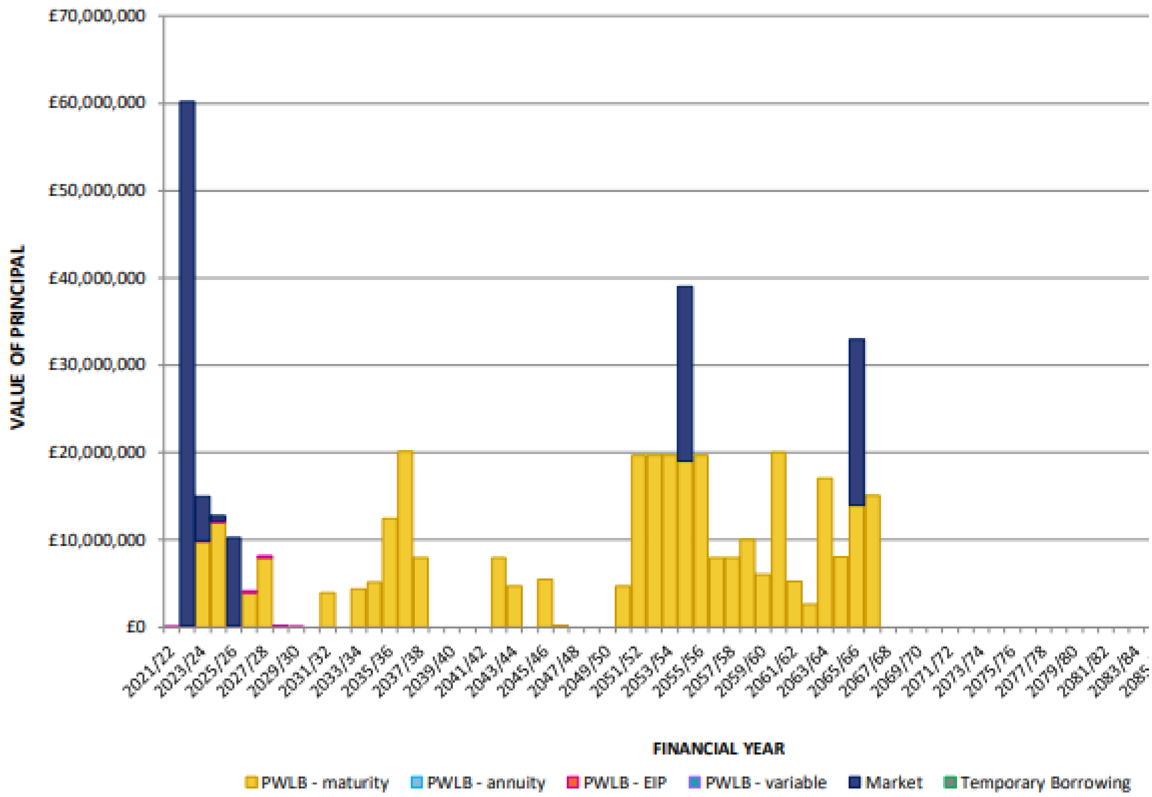
<u>**Doncaster Council 2022/23 MRP Policy**</u>

2) 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).

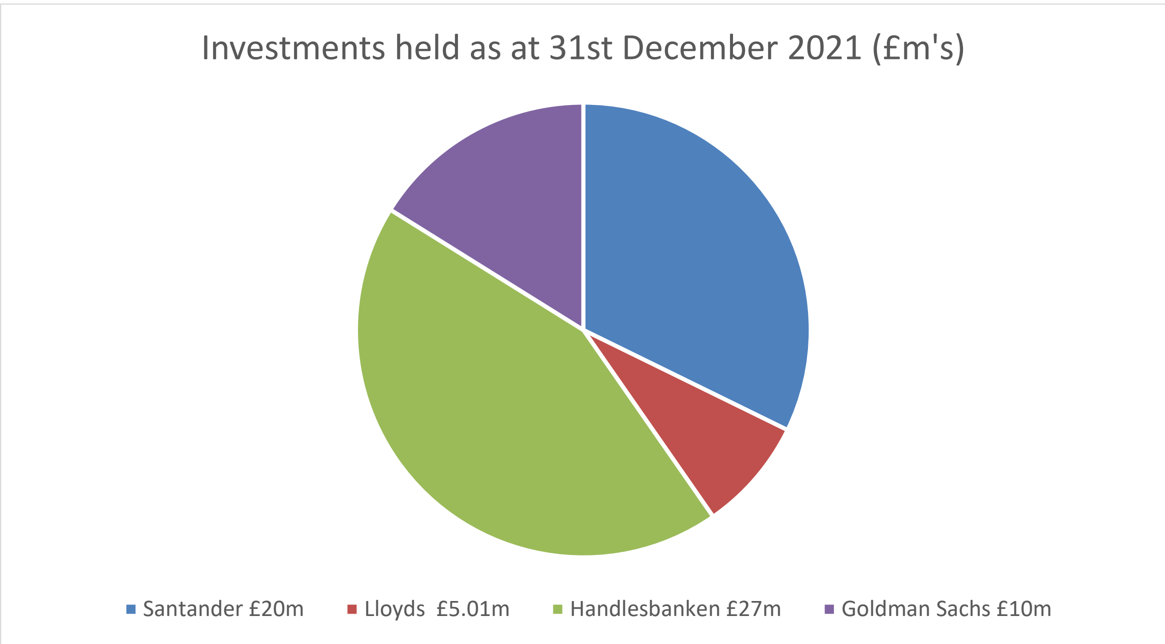
3) **MRP Overpayments** - A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31st March 2021, the total MRP overpayments are estimated to be £25.9m.

Analysis of Debt as at 31/12/21

Maturity Profile



Analysis of Investments as at 31/12/21



Interest Rate Forecasts

1. As noted above the Council has appointed Link as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 21st December 2021. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View 20.12.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

2. Over the last two years the coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021. As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%. These forecasts carry significant risks given the economic climate we are currently in and potential further impacts of coronavirus. Link currently list the following as risks against their forecast.

   - Labour and supply shortages
   - Govt acts to quickly to reduce expenditure to balance the budget
   - The Bank of England's Monetary Policy Committee (MPC) acting too quickly or too far causing an increase in inflation or conversely tightening monetary policy too late to mitigate inflationary increases
   - Further impacts of coronavirus – new mutations etc
   - Impact of Brexit and potential no trade deals

Gilt yields / PWLB rates

3. Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

4. The US financial markets are, by far, the biggest financial markets in the world, therefore any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to

put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

5. It is also now clearer that there could be a 50% increase in the price cap on fuel prices from 1st April 2022 in this country: this could boost inflation significantly and would then put added pressure on the Bank of England to raise Bank Rate faster as inflation would be unlikely to come down as fast as previously expected. As a result of this uncertainty Link will be reviewing their forecasts after the MPC meeting on the 3rd February and updating accordingly.

Investment and borrowing rates

- **Investment returns** are likely to remain low during 2022/23 compared to previous years with increases likely over the following two years. It is unlikely rates will get back to the levels previously witnessed prior to 2007.

- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

- On 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -.

  - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
  - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
  - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

- **Borrowing for capital expenditure** Link's long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio

- While this authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, (there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

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

	Minimum 'High' Credit Criteria	Maximum % of total investments or maximum Amount per institution	Max. maturity period
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 rating	100%	12 months
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -			
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	£50m £40m	5 years 2 years
Term Deposits with UK part nationalised banks	Blue	£30m	5 years
Certificates of Deposit or corporate bonds with banks and building societies	Yellow Purple	£50m £40m	5 years 2 years
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
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

	Minimum ‘High’ Credit Criteria	Maximum % of total investments or maximum Amount per institution	Max. maturity period
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 higher sovereign ratings than the UK (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 credit worthiness service. The UK is currently rated as AA- but is still an approved country for investments.

AAA	**AA+**	**AA**
Australia,	Finland	France
Netherlands,	Canada	
Germany		

Brief Summary of the Revised CIPFA Treasury Management Code and Prudential Code

CIPFA published the revised codes on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year.

The revised codes will have the following implications:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- address Environmental, Social and Governance (ESG) issues within the Capital Strategy;
- require implementation of a policy to review commercial property, with a view to divest where appropriate;
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);
- ensure that any long term treasury investment is supported by a business model;
- a requirement to effectively manage liquidity and longer term cash flow requirements;
- amendment to TMP1 to address ESG policy within the treasury management risk framework;
- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;
- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes: -

Treasury management
Arising from the organisation’s cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery
Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return
Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

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Doncaster Council

Report

16th February, 2022

To the Chair and Members of Cabinet

Extension of Transitional Relief and Supporting Small Business Relief for Small and Medium Properties

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Jones	All	Yes

EXECUTIVE SUMMARY

1. At the Budget on 27 October 2021, the government announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

2. From an analysis of Business Rates records, the estimated number of eligible businesses qualifying for the extension of transitional relief or supporting small business scheme would be around 75 receiving support of around £221k.

3. The Government is not introducing new legislation for these reliefs. Instead, local authorities are expected to use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant the relief in line with the relevant eligibility criteria. Local authorities will be compensated for the cost of granting the reliefs through a Section 31 grant from Government.

4. The legislation states that the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. Given the Government has committed to reimburse local authorities for all the reliefs, it is deemed to be in the interests of local Council Tax payers to award them. Awarding these reliefs at such a difficult time in the wake of the coronavirus outbreak will also support the Council's priority outcome of supporting Doncaster businesses to flourish.

5. The Department for Levelling Up, Housing and Communities have issued guidance for the scheme. Local authorities are required to have regard to any relevant government guidance when deciding whether to grant relief.

EXEMPT REPORT

6. The report is not exempt.

RECOMMENDATIONS

7. It is recommended that Cabinet:

   A. Approves the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties policy as set out at **Appendix 1**, which will potentially benefit around 75 local businesses with relief totalling around £221k.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. Around 75 local businesses are eligible for Business Rate relief in 2022/23 under these proposals. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value). In addition to the eligible businesses, the citizens of Doncaster generally will benefit from the schemes as the reliefs support these businesses and, in turn, the local economy. This is especially important at this time following the coronavirus outbreak.

BACKGROUND

9. The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills, because of the revaluation. The scheme ends on 31 March 2022, as a result a small number of ratepayers would face a jump to their full rates bill from 1 April 2022.

10. At the Budget on 27 October 2021, the government therefore announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

11. The Department for Levelling Up, Housing and Communities (DLUHC) have issued guidance for the Retail, Hospitality and Leisure Business Rates Relief scheme. Properties that will benefit are those with a rateable value up to and including £100,000 who would have received transitional relief and/or SSB in 2022/23. In line with the existing thresholds in the transitional relief scheme, the £100,000 rateable value threshold should be based on the rateable value shown for 1 April 2017 or the substituted day in the cases of splits and mergers.

12. This policy does not apply to those in downward transition to lower bills – they will fall to their full bill on 1 April 2022.

13. The government will fund discretionary relief to ensure eligible properties

receive the same level of protection they would have received had the statutory transitional relief scheme and Supporting Small Business scheme extended into 2022/23. The practical effects of the transitional relief scheme should be assumed to remain as it is in the current statutory scheme (As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) except that:

a) The cap on increases for small properties (with a rateable value of less than or equal to £20,000) in 2022/23 should be assumed to be 15% (before the increase for the change in the multiplier).
b) The cap on increases for other properties (up to and including £100,000 rateable value) in 2022/23 should be assumed to be 25% (before the increase for the change in the multiplier).

14. The Supporting Small Business scheme should be assumed to remain as it is in the current non-statutory scheme (Found in Annex A of the Business Rates Information Letter 4/2017.) with a percentage cap in 2022/23 of 15% plus inflation (or a cash value increase of £600 if greater).

15. For the purposes of awarding relief and claiming section 31 grant, authorities should measure the extension of transitional relief and SSB after all other reliefs.

16. From an analysis of Business Rates records, there are approximately 75 businesses eligible for the extension of transitional relief or supporting small business schemes.

17. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme because of awarding the relief that falls within the definitions in this scheme, using a grant under Section 31 of the Local Government Act 2003. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in their National Non-Domestic Rate Return 1 (NNDR1) for 2022/23. Central government will provide payments to authorities to cover the local share. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, via the National Non-Domestic Rate 3 (NNDR3) forms. Any required reconciliations will then be conducted at these points.

OPTIONS CONSIDERED

18. **Option 1: Do Nothing**

The Government has not legislated for this relief scheme but has, instead, advised that local authorities can use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988, as amended, to grant relief. However, as Central Government is providing funding for the scheme, and they will support local businesses as they continue to deal with the coronavirus outbreak and contribute towards the corporate priority of supporting local businesses, this option is not recommended.

Option 2: **Award relief under different criteria to the government Guidance and eligibility criteria**
Using section 47 discretionary relief powers, the Council could decide on different criteria to award the relief other than that specified in the government

guidance. However, this option is not recommended as the relief would not then be funded via Section 31 Central Government grant and the cost of the relief would have to be met by the Council.

Option 3: **Award relief in line with the government guidance and eligibility criteria**

Central Government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of this relief that falls within the definitions in the DLUHC guidance. This is the recommended option for the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties for 2022/23.

REASONS FOR RECOMMENDED OPTION

19. **Option 3** is the recommended option as this supports the Government's intentions to recognize the challenges faced by smaller retailers and ensures the Council is fully reimbursed for the relief awarded.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

20.

	Outcomes	**Implications**
	Doncaster Working: 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; • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment	Awarding relief to eligible businesses will support businesses during this difficult period as they continue to feel the effects of the coronavirus outbreak and support the local Doncaster economy.
	Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage	
	Doncaster Learning: Our vision is for	

	learning that prepares all children, young people and adults for a life that is fulfilling; • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work	
	Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes	
	Connected Council: • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	The proposals will maximise use of the government funding for relief whilst not exceeding this, thus ensuring there is no cost to the Council.

RISKS AND ASSUMPTIONS

21. There is a risk of failure to identify qualifying businesses and award the reliefs accordingly. This risk will be managed by thorough checking of Business Rates records to ensure all qualifying businesses are identified, and publicity of the schemes on the Council's website.

22. Failure to award relief in line with the Government's criteria and guidance could risk that the Council is not properly reimbursed for relief awarded which does not comply with the Section 31 grant conditions. This risk will be managed by close monitoring of relief awarded throughout the year and quality control checking of awards.

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 01.02.22]

23. Local authorities can grant discretionary rate relief as described in this report using its powers under section 47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011.

24. The legislation states that the local authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. Given that the Government has provided funding for the schemes, it is deemed to be in the interests of the Authority's Council Tax payers to award the relief. The legislation also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.

25. As identified in Appendix 1 of the report, such rate relief may amount to subsidy. In such cases, Rate Relief can only be provided if it falls within the Small Amounts of Financial Assistance Allowance as further described within Appendix 1.

FINANCIAL IMPLICATIONS [Officer Initials: CC Date: 01/02/2022]

26. Central Government will reimburse billing authorities and those major precepting authorities, i.e. South Yorkshire Fire and Rescue for Doncaster, for the cost of the relief via a grant under section 31 of the Local Government Act 2003. Therefore, it is not estimated to be detrimental to the Council's financial position to grant the relief. The estimated number of hereditaments and level of relief are set out in the body of the report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials: RH Date: 31/1/22]

27. There are no specific HR implications associated with this report.

TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 28/01/22]

28. There are no technology implications in relation to this report. The extension of transitional relief or supporting small business scheme relief can be accommodated through existing functionality in the NEC Business Rates system.

HEALTH IMPLICATIONS [Officer Initials: RS Date: 01/02/2022]

29. Good quality work is important for good health and wellbeing. Transitional relief for small business is one way to support small local businesses fulfil their wider social value including paying the living wage, maximising work-life balance for employees and providing greater employment security. In the midst of a pandemic, this is one way to alleviate hardship for local people.

EQUALITY IMPLICATIONS [Officer Initials: AS Date 28/01/2022]

30. There are no equality implications associated with this report.

CONSULTATION

31. There is no statutory requirement to consult on these relief schemes. Given the Council is proposing to award relief strictly in accordance with the government guidance for the schemes and will be fully reimbursed by Central Government, it was not considered necessary to undertake any general consultation.

BACKGROUND PAPERS

32. Appendix 1 – Extension of Transitional Relief & Supporting Small Business Relief Policy 2022/23

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DONCASTER METROPOLITAN BOROUGH COUNCIL

EXTENSION OF TRANSITIONAL RELIEF AND SUPPORTING SMALL BUSINESS RELIEF POLICY 2022/23

Background

1. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business rates.

2. The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills, because of the revaluation. The scheme ends on 31 March 2022, as a result a small number of ratepayers would face a jump to their full rates bill from 1 April 2022.

3. At the Budget on 27 October 2021, the government therefore announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

4. As this recent change is for the year 2022/23 only, the Government is not changing the legislation around awarding reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in their guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to the government guidance, to grant relief under section 47. Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

Legislation

5. S47 of the Local Government Finance Act 1988, as amended by the Localism Act, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.

Who Pays For The Relief Granted?

6. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme, because of awarding the relief that falls within the definitions in this scheme. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in their National Non-Domestic Rate Return 1 (NNDR1) for 2022/23. Central government will provide payments to authorities to cover the local share. Local authorities will also be asked to provide outturn data on the

actual total cost for providing the relief, via the National Non-Domestic Rate 3 (NNDR3) forms. Any required reconciliations will then be conducted at these points.

The Council's Policy

Purpose

7. The purpose of this Policy is to specify how the Council will operate its discretionary powers in the Local Government Finance Act 1988 and to indicate the factors we will consider when deciding if extended transitional relief or supporting small business relief can be awarded.

8. The Council will consider awarding extended transitional relief and supporting small business relief to all properties that meet the qualifying criteria as specified in this scheme. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of aid and assistance in respect of Business Rates.

Consultation

9. There is no statutory requirement to consult on these relief schemes. Given the Council is proposing to award relief strictly in accordance with the government guidance for the schemes and will be fully reimbursed by Central Government, it was not considered necessary to undertake any general consultation.

Which properties will benefit from relief?

10. Properties that will benefit are those with a rateable value up to and including £100,000 who would have received transitional relief and/or SSB in 2022/23. In line with the existing thresholds in the transitional relief scheme, the £100,000 rateable value threshold should be based on the rateable value shown for 1 April 2017 or the substituted day in the cases of splits and mergers.

11. This policy does not apply to those in downward transition to lower bills – they will fall to their full bill on 1 April 2022.

How much relief will be available?

12. The government will fund discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory transitional relief scheme and Supporting Small Business scheme extended into 2022/23. The practical effects of the transitional relief scheme should be assumed to remain as it is in the current statutory scheme (As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) except that:

    ii. The cap on increases for small properties (with a rateable value of less than or equal to £20,000) in 2022/23 should be assumed to be 15% (before the increase for the change in the multiplier).

    iii. The cap on increases for other properties (up to and including £100,000 rateable value) in 2022/23 should be assumed to be 25% (before the increase for the change in the multiplier).

13. The scheme applies only to properties up to and including £100,000 rateable value based on the value shown for 1 April 2017 or the substituted day in the cases of splits and mergers. Changes in rateable value, which take effect from a later date, should be calculated using the normal rules in the transitional relief scheme. For the avoidance of doubt, properties whose rateable value is £100,000 or less on 1 April 2017 (or the day of merger) but increase above £100,000 from a later date will still be eligible for the relief. Where necessary the Valuation Office Agency will continue to issue certificates for the value at 31 March 2017 (regulation 17, SI 2016 No. 1265) or 1 April 2017 (regulations 16 and 18 SI 2016 No.1265). The relief should be calculated on a daily basis.

14. The Supporting Small Business scheme should be assumed to remain as it is in the current non-statutory scheme (Found in Annex A of the Business Rates Information Letter 4/2017.) with a percentage cap in 2022/23 of 15% plus inflation (or a cash value increase of £600 if greater).

Calculation for the Extension of Transitional Relief and Supporting Small Business Relief

15. Under the existing statutory transition scheme, which ends on 31 March 2022, transitional relief is measured before all other reliefs. However, the extension of transitional relief and Supporting Small Business Relief into 2022/23 will be delivered via section 47 of the Local Government Finance Act 1988, which will be measured after other reliefs (including other funded reliefs granted under section 47 such as Retail, Hospitality and Leisure relief).

16. Therefore, for the purposes of awarding relief and claiming section 31 grant, authorities should measure the extension of transitional relief and Supporting Small Business relief after all other reliefs. To do this authorities will need to:

    a. Step 1: identify those eligible properties which would have qualified for transitional relief and/or Supporting Small Business relief in 2022/23,
    b. Step 2: calculate the actual rates bill for those properties in 2022/23 after all other reliefs assuming transitional relief and Supporting Small Business relief has ended,
    c. Step 3: calculate the rates bill for those properties in 2022/23 after all other reliefs assuming transitional relief and Supporting Small Business relief continued (in line with the assumptions in this guidance), and
    d. Step 4: calculate the difference between stage 2 and 3 and award a section 47 discount to that value.

Examples

17. If a ratepayer would have been eligible for transitional relief with a cap of 15% in 2022/23 and not eligible for Supporting Small Business Relief, then their bill is calculated as follows,

Example 1	Step 1	Step 2	Step 3	Step 4
	2021/22	2022/23	2022/23	2022/23
Bill before any reliefs	£9,980	£9,980	£9,980	£9,980
Transitional Relief – had the original scheme continued	-£4,772	n/a	-£3,990	n/a
Net bill before section 47 discount	£5,208	£9,980	£5,990	£9,980
Supporting Small Business Relief – had the original scheme continued	n/a	n/a	n/a	n/a
Combined section 47 discount (to give effect to extension of transitional relief and Supporting Small Business relief)	n/a	n/a	n/a	-£3,990
Net Rates Bill	**£5,208**	**£9,980**	**£5,990**	**£5,990**

**For illustration. This is based on a hereditament whose rateable value increased from £6,000 to £20,000 at the 2017 revaluation and the hereditament was not eligible for Small Business Rates Relief*.

18. In the above example, the value of the transitional relief had the scheme continued is £3,990. In practice, extending transitional relief will be achieved by awarding a section 47 discount, which is calculated at the end of the bill. However, because there are no other reliefs the value of the discount to ensure in practice transitional relief continues is also £3,990.

19. But if, for example, the same ratepayer would otherwise have fallen out of transitional relief in 2022/23 and also receives 80% charitable mandatory relief then their bill is calculated as follows.

Example 2	Step 1	Step 2	Step 3	Step 4
	2021/22	2022/23	2022/23	2022/23
Bill before any reliefs	£9,980	£9,980	£9,980	£9,980
Transitional Relief – had the original scheme continued	-£4,772	n/a	-£3,990	n/a
Net bill before charitable relief or section 47 discount	£5,208	£9,980	£5,990	£9,980
Charitable Relief	-£4,167	-£7,984	-£4,792	-£7,984
Combined section 47 discount (to give effect to extension of transitional relief and Supporting Small Business relief)	n/a	n/a	n/a	-£798
Net Rates Bill	**£1,042**	**£1,996**	**£1,198**	**£1,198**

**For illustration. Based on a hereditament whose rateable value increased from £6,000 to £20,000 at the 2017 revaluation and the hereditament is eligible for charity relief*

20. In the above example, whilst the reported cost of transitional relief in 2022/23 would still have been £3,990 had the scheme continued in its current form as

this is measured before all other reliefs (step 3). In practice, extending transitional relief will be achieved by awarding a section 47 discount, which is calculated after all other reliefs. Therefore, the value of the discount to ensure in practice transitional relief continues is £798 (step 4).

21. Finally, if the ratepayer in the first example had also in 2017 lost Small Business Rates Relief (and the same could apply to rural rate relief relief) and was therefore eligible for both transitional relief and Supporting Small Business relief then their bill is calculated as follows.

Example 3	**Step 1**	**Step 2**	**Step 3**	**Step 4**
	2021/22	2022/23	2022/23	2022/23
Bill before any reliefs	£9,980	£9,980	£9,980	£9,980
Transitional Relief – had the original scheme continued	-£4,772	n/a	-£3,990	n/a
Net bill before section 47 discount	£5,208	£9,980	£5,990	£9,980
Supporting Small Business Relief – had the original scheme continued	-£2,208	n/a	-£2,390	n/a
Combined section 47 discount (to give effect to extension of transitional relief and Supporting Small Business relief)	n/a	n/a	n/a	-£6,380
Net Rates Bill	**£3,000**	**£9,980**	**£3,600**	**£3,600**

**For illustration. Based on a hereditament whose rateable value increased from £6,000 to £20,000 at the 2017 revaluation and the hereditament was previously eligible for Small Business Rate Relief*

22. In the above example, the reported cost of transitional relief in 2022/23 would still have been £3,990 had the scheme continued in its current form as this is measured before all other reliefs (step 3). The reported cost of Supporting Small Business relief in 2022/23 would have been £2,390 again had the transitional relief and Supporting Small Business relief schemes continued in their current form (step3). In practice extending transitional relief and Supporting Small Business relief will be achieved by awarding a single section 47 discount which is calculated after all other reliefs. So the value of the discount to ensure in practice transitional relief and SSB continues is £6,380 (step 4).

Period of Award

23. The start date of the relief will be the 1st April 2022.

24. The minimum period of relief that can be awarded is one day.

25. The maximum period of relief that can be awarded is 12 months. All applications will cease on the 31st March 2023, or from such date that one or all of the qualifying criteria are not met, if sooner.

26. No relief will be awarded for a period prior to 1st April 2022 or from 1st April 2023 onwards, unless advised by the Secretary of State.

Recalculations of Relief

27. As with the current transitional relief scheme, the amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

28. Under regulations made under section 47 of the Local Government Finance Act 1988, authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). However, within these regulations, local authorities may still make decisions, which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

29. Therefore, when making an award for the extension of transitional relief, local authorities should ensure in the conditions of the award that the relief are subject to the property's continuing eligibility. If the property's rateable value changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact. This includes where the change in the rateable value is backdated.

Subsidy Control

30. The extension of transitional relief and Supporting Small Business relief scheme is likely to amount to subsidy. Any relief provided by Local Authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

31. To the extent that a local authority is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted

32. In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then we will automatically withhold the relief. Otherwise, we will the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or Small Amounts of Financial Assistance limit.

How Payments will be made

33. All relief awarded will be automatically credited to the ratepayers Business Rates account.

Notifications

34. The Council will notify all businesses identified as eligible for extension of transitional relief and Supporting Small Business relief.

The notification will include the following information:-

- The period of the award.
- The amount of relief to be awarded for the period.

Overpayments

35. The Council will recover all overpayments of transitional relief and Supporting Small Business relief through the organisation's Business Rates account.

Right of Appeal

36. If you are aggrieved by a decision made under this scheme, you must write and tell us why you think the decision is wrong, e.g. whether the published criteria has been properly applied.

37. Your case will then be considered by someone who has not been involved in the original determination.

38. They will thoroughly check all the information we hold regarding the property and any further information you have provided. They will decide whether the criteria have been properly applied. They could then: -

- Decide not to change the decision;
- Change the decision and award transitional relief and Supporting Small Business relief.

They will write to tell you what has happened, normally within 21 days of reconsidering your appeal.

Fraud

39. The Council is committed to the fight against fraud in all its forms. An organisation who tries to fraudulently obtain transitional relief and Supporting Small Business relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

Publicity

40. The Council will include information about transitional relief and Supporting Small Business relief in the Business Rates Section of the Council's website.

Review

41. The policy will be reviewed periodically and at the end of the 2022/23 year, taking into account any changes in legislation or guidance from Central Government regarding the funding for this relief.

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Doncaster Council

Report

16th February, 2022

To the Chair and Members of Cabinet

Retail, Hospitality and Leisure Relief Scheme 2022/23

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Jones	All	Yes

EXECUTIVE SUMMARY

1. Since 2019/20, the government has provided a Business Rates Retail Discount for retail properties, which from 2020/21 was expanded to include the leisure and hospitality sectors.

2. At the Budget on 27 October 2021, the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties. The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

3. From an analysis of Business Rates records, the estimated number of eligible businesses qualifying for the Retail, Hospitality and Leisure Business Rates Relief Scheme would be around 1,269 receiving relief of around £7.9M.

4. The Government is not introducing new legislation for these reliefs. Instead, local authorities are expected to use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant the relief in line with the relevant eligibility criteria. Local authorities will be compensated for the cost of granting the reliefs through a Section 31 grant from Government.

5. The legislation states that the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. Given the Government has committed to reimburse local authorities for all the reliefs, it is deemed to be in the interests of local Council Tax payers to award them. Awarding these reliefs at such a difficult time in the wake of the coronavirus outbreak will also support the Council's priority outcome of supporting Doncaster businesses to flourish.

6. The Department for Levelling Up, Housing and Communities have issued guidance for the scheme. Local authorities are required to have regard to any relevant government guidance when deciding whether to grant relief.

EXEMPT REPORT

7. The report is not exempt.

RECOMMENDATIONS

8. It is recommended that Cabinet:

   - Approves the proposed Retail, Hospitality and Leisure Business Rates Relief Scheme at **Appendix 1,** which will potentially benefit around **1,269** local businesses with relief totalling around £7.9M.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

9. Around 1,269 local businesses are eligible for Business Rate relief in 2022/23 under these proposals. The relief will support these businesses who will have a reduction of up to 50% of their Business Rates in 2022/23. In addition to the eligible businesses, the citizens of Doncaster generally will benefit from the schemes as the reliefs support these businesses and, in turn, the local economy. This is especially important at this time following the coronavirus outbreak.

BACKGROUND

10. As part of the Autumn 2018 budget, the Government announced that it would provide a Business Rates Retail Relief scheme for occupied retail properties with a rateable value of less than £51,000 that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. The relief was to apply in each of the years 2019/20 and 2020/21. The value of relief was to be one third of the bill and would be applied after all other mandatory and discretionary reliefs.

11. In a written Ministerial Statement on 27 January 2020, the Government announced that it would extend the value of the Retail Relief from one third of the bill to 50% in 2020/21. This relief would apply to occupied retail properties with a rateable value of less than £51,000 in the year 2020/21. It also extended the type of retail properties to include cinemas and live music venues.

12. In response to the coronavirus outbreak, in the Budget on the 11th March 2020 the Government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality sector. Then in another announcement on the 17 March 2020, the Government confirmed that this relief would apply to all occupied retail, leisure and hospitality properties in the year 2020/21. There was no rateable value limit on the relief. In a further announcement on the 25th March, additional categories of retail business were added for estate agents, betting shops and bingo halls.

13. In the Budget on 3 March 2021, the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022. The Government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.

14. At the Budget on 27 October, the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties. The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business

15. The Department for Levelling Up, Housing and Communities (DLUHC) have issued guidance for the Retail, Hospitality and Leisure Business Rates Relief scheme. Properties that will benefit will be occupied hereditaments that are wholly and mainly being used:

    i. As shops, restaurants, cafes, drinking establishments, cinemas or live music venues;
    ii. For assembly and leisure;
    iii. As hotels, guest & boarding premises and self-catering accommodation.

    The full list of premises included within the above definitions in the DLUHC guidance are shown within the scheme at **Appendix 1**. The guidance points out that the list is not intended to be exhaustive and that it is for local authorities to determine for themselves whether particular properties not listed are broadly similar in nature to those specified in the guidance and, if so, consider them eligible for the relief.

16. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments that are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

17. The DLUHC guidance also sets out the types of uses that the Government does **not** consider to be retail use for the purpose of the Retail, Hospitality and Leisure Business Rates Relief scheme:

    i. Hereditaments that are being used for the provision of the following services to visiting members of the public;

        a. Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
        b. Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
        c. Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, employment agencies, estate agents, letting agents)
        d. Post office sorting offices

    ii. Hereditaments that are not reasonably accessible to visiting members of the public.

In line with legal restrictions in section 47 (8A) of the Local Government Finance Act 1988 billing authorities may not grant the relief to themselves or other precepting authorities.

18. Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2022/23 under this scheme is:

    a. For chargeable days from 1 April 2022 to 31 March 2023 50% of the chargeable amount.

19. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those, where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, as required in the NNDR3 guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally funded relief under section 47, this should be applied after the Retail, Hospitality and Leisure relief.

20. Subject to the cash cap, the eligibility for the discount and the discount itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2022/23:

    Amount of relief to be granted = V x 0.5, where:

    V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs in line with the guidance in paragraph 19 above.

21. From an analysis of Business Rates records, there are approximately 4,000 premises that meet the general criteria for the Retail, Hospitality and Leisure relief. However, after taking into account other reliefs including Small Business Rates Relief (SBRR), exemptions and empty premises, there are potentially around 1,269 premises that will receive the relief. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

22. Under the cash caps, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England**.**

23. No ratepayer can in any circumstances exceed the £2 million cash cap across all of their hereditaments in England**.**

24. Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of

the cash caps. A ratepayer shall be treated as having a qualifying connection with another:

a. where both ratepayers are companies, and

i. one is a subsidiary of the other, or

ii. both are subsidiaries of the same company; or

b. where only one ratepayer is a company, the other ratepayer (the "second ratepayer") has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.

25. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme because of awarding the relief that falls within the definitions in this scheme. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in their National Non-Domestic Rate Return 1 (NNDR1) for 2022/23. Central government will provide payments to authorities to cover the local share. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, via the National Non-Domestic Rate 3 (NNDR3) forms. Any required reconciliations will then be conducted at these points.

OPTIONS CONSIDERED

26. **Option 1: Do Nothing**
The Government has not legislated for this relief scheme but has, instead, advised that local authorities can use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988, as amended, to grant relief. However, as Central Government is providing funding for the scheme, and they will support local businesses as they continue to deal with the coronavirus outbreak and contribute towards the corporate priority of supporting local businesses, this option is not recommended.

Option 2: **Award relief under different criteria to the government guidance and eligibility criteria**
Using section 47 discretionary relief powers, the Council could decide on different criteria to award the relief other than that specified in the government guidance. However, this option is not recommended as the relief would not then be funded via Section 31 Central Government grant and the cost of the relief would have to be met by the Council.

Option 3: **Award relief in line with the government guidance and eligibility criteria**
Central Government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of this relief that falls within the definitions in the DLUHC guidance. This is the recommended option for the Retail, Hospitality and Leisure Business Rates Relief Scheme for 2022/23.

REASONS FOR RECOMMENDED OPTION

27. **Option 3** is the recommended option as this supports the Government's

intentions to recognize the challenges faced by smaller retailers and ensures the Council is fully reimbursed for the relief awarded.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

28.

	Outcomes	Implications
	Doncaster Working: 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; • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment	Awarding relief to eligible businesses will support businesses during this difficult period as they continue to feel the effects of the coronavirus outbreak and support the local Doncaster economy.
	Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage	
	Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work	

	Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes	
	Connected Council: • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance	The proposals will maximise use of the government funding for relief whilst not exceeding this, thus ensuring there is no cost to the Council.

RISKS AND ASSUMPTIONS

29. There is a risk of failure to identify qualifying businesses and award the reliefs accordingly. This risk will be managed by thorough checking of Business Rates records to ensure all qualifying businesses are identified, and publicity of the schemes on the Council's website.

30. Failure to award relief in line with the Government's criteria and guidance could risk that the Council is not properly reimbursed for relief awarded which does not comply with the Section 31 grant conditions. This risk will be managed by close monitoring of relief awarded throughout the year and quality control checking of awards.

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 01.02.22]

31. Local authorities can grant discretionary rate relief as described in this report using its powers under section 47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011.

32. The legislation states that the local authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. Given that the Government will provide full funding for the schemes and such businesses are in need of assistance to deal with the impact of the Covid-19, it is reasonable to deem the proposed scheme to be in the interests

of the Authority's Council Tax payers and to award the relief. The legislation also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief and the proposed scheme is in line with that guidance.

33. As identified in Appendix 1 of the report, such rate relief may amount to subsidy. In such cases Rate Relief can only be provided if it falls within the Small Amounts of Financial Assistance Allowance as further described within Appendix 1

FINANCIAL IMPLICATIONS [Officer Initials: CC Date 01/02/2022]

34. Central Government will reimburse billing authorities and those major precepting authorities, i.e. South Yorkshire Fire and Rescue for Doncaster, for the cost of the relief via a grant under section 31 of the Local Government Act 2003. Therefore, it is not estimated to be detrimental to the Council's financial position to grant the relief. The estimated number of hereditaments and level of relief are set out in the body of the report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials SH Date 31/01/22]

35. There are no specific HR implications associated with the approach as it is anticipated that the administration of the schemes will be managed within existing resources. If alternative approaches are adopted and this requires significant manual intervention, additional resources may be required to administrate this scheme.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 31/01/22]

36. There are no direct technology implications in relation to this decision. The proposed Retail, Hospitality and Leisure Business Rates Relief Scheme can be accommodated by the existing NEC Business Rates system.

HEALTH IMPLICATIONS [Officer Initials RS Date 01/02/2022]

37. Good quality work is important for good health and wellbeing. Business Rate relief is one way to support local businesses fulfil their wider social value including paying the living wage, maximising work-life balance for employees and providing greater employment security. In the midst of a pandemic this is one way to alleviate hardship for local people.

EQUALITY IMPLICATIONS [Officer Initials: AS Date 20/01/2022]

38. There are no equality implications associated with this report.

CONSULTATION

39. There is no statutory requirement to consult on these relief schemes. Given the Council is proposing to award relief strictly in accordance with the government guidance for the schemes and will be fully reimbursed by Central Government, it was not considered necessary to undertake any general consultation.

BACKGROUND PAPERS

40. Appendix 1 - Retail, Hospitality and Leisure Business Rates Relief Scheme
There are no background papers to this report.

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Appendix 1

DONCASTER METROPOLITAN BOROUGH COUNCIL

RETAIL, HOSPITALITY AND LEISURE RELIEF SCHEME 2022/23

Background

1. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business rates.

2. Since 2019/20, the government has provided a Business Rates Retail Discount for retail properties, which in 2020/21 it expanded to include the leisure and hospitality sectors.

3. At the Budget on 27 October 2021, the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties. The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

4. As this recent change is for the year 2022/23 only, the Government is not changing the legislation around awarding reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in their guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to the government guidance, to grant relief under section 47. Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

Legislation

5. S47 of the Local Government Finance Act 1988, as amended by the Localism Act, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.

Who Pays For The Relief Granted?

6. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme because of awarding the relief that falls within the definitions in this scheme. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in their National Non-Domestic Rate Return 1 (NNDR1) for 2022/23. Central government will provide payments to authorities to cover the local share. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, via the National Non-Domestic Rate 3

(NNDR3) forms. Any required reconciliations will then be conducted at these points.

The Council's Policy

Purpose

7. The purpose of this Policy is to specify how the Council will operate its discretionary powers in the Local Government Finance Act 1988 and to indicate the factors we will consider when deciding if Retail, Hospitality and Leisure Business Rates Relief can be awarded.

8. The Council will consider awarding Retail, Hospitality and Leisure Business Rates Relief to all ratepayers who meet the qualifying criteria as specified in this scheme. All ratepayers that receive Retail, Hospitality and Leisure Business Rates Relief will be treated equally and fairly. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of aid and assistance in respect of Business Rates.

Consultation

9. There is no statutory requirement to consult on these relief schemes. Given the Council is proposing to award relief strictly in accordance with the government guidance for the schemes and will be fully reimbursed by Central Government, it was not considered necessary to undertake any general consultation.

How Retail, Hospitality and Leisure Business Rates Relief will be awarded

10. Doncaster Council will automatically calculate and award the relief to those properties that meet the qualifying criteria set out below.

Period of Award

11. The start date of the relief will normally be the 1st April 2022.

12. For applications where the qualifying criteria are not met until after this date, the start date of the relief will be the date that the qualifying conditions are met up to and including 31st March 2023 (which is the last date that relief will be awarded for).

13. The minimum period of relief that can be awarded is one day.

14. The maximum period of relief that can be awarded is 12 months. All applications will cease on the 31st March 2023, or from such date that one or all of the qualifying criteria are not met, if sooner.

15. No relief will be awarded for a period prior to 1st April 2022 or from 1st April 2023 onwards, unless advised by the Secretary of State.

How we will decide whether to award Discretionary Rate Relief

16. Properties which benefit from the relief will be those which for a chargeable day in 2021/22,

    a. Meet the eligibility criteria set out in paragraph 17 below; and,

b. The ratepayer for that chargeable day has not refused the discount for the eligible hereditament. The ratepayer may refuse the discount for each eligible hereditament anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

17. Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
    - as shops, restaurants, cafes, drinking establishments, cinemas or live music venues,
    - for assembly and leisure; or
    - as hotels, guest & boarding premises and self-catering accommodation.

We consider shops, restaurants, cafes, drinking establishments, cinemas or live music venues to mean:

- ***Properties that are being used for the sale of goods to visiting members of the public:***
    - Shops (such as florist, bakers, butchers, grocers, greengrocers, Jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc.).
    - Charity shops
    - Opticians
    - Post offices
    - Furnishing shops/display rooms (such as carpet shops, double glazing, garage doors)
    - Car/caravan show rooms
    - Second hand car lots
    - Markets
    - Petrol stations
    - Garden centres
    - Art galleries (where art is for sale/hire)

- ***Properties that are being used for the provision of the following services to visiting members of the public:***

    - Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc.)
    - Shoe repairs/key cutting
    - Travel agents
    - Ticket offices e.g. for theatre
    - Dry cleaners
    - Launderettes
    - PC/TV/domestic appliance repair
    - Funeral directors
    - Photo processing
    - Tool hire
    - Car hire

- ***Properties that are being used for the sale of food and/or drink to visiting members of the public:***

    - Restaurants
    - Takeaways

- Sandwich shops
- Coffee shops
- Pubs
- Bars

- ***Properties that are being used as cinemas***

- ***Properties that are being used as live music venues***

  - Live music venues are properties wholly or mainly used for the performance of live music for entertaining an audience. Properties cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).

  - Properties can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

  - There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Further guidance on this may be found under section 182 of the Licensing Act 2003.

We consider assembly and leisure to mean:

- ***Properties that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).***

  - Sports grounds and clubs
  - Museums and art galleries
  - Nightclubs
  - Sport and leisure facilities
  - Stately homes and historic houses
  - Theatres
  - Tourist attractions
  - Gyms
  - Wellness centres, spas, massage parlours
  - Casinos, gambling clubs and bingo halls

- ***Properties that are being used for the assembly of visiting members of the public.***

  - Public halls
  - Clubhouses, clubs and institutions

We consider hotels, guest & boarding premises and self-catering accommodation to mean:

- ***Properties where the non-domestic part is being used for the provision of living accommodation as a business.***

  - Hotels, Guest and Boarding Houses
  - Holiday Homes
  - Caravan parks and sites

18. To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments, which are occupied but not wholly or mainly used for the qualifying purpose, will not qualify for the relief.

19. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. However, it is intended to be a guide for authorities as to the types of uses that the Government considers eligible for this relief and we will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

20. Examples of types of use that are **not** considered to be eligible use for the purposes of this relief are:-

- ***Properties that are being used for the provision of the following services to visiting members of the public:***

  - Financial services (e.g. banks, building societies, cash points, bureau de change, short-term loan providers, betting shops)
  - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
  - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
  - Post office sorting office

- ***Properties that are not reasonably accessible to visiting members of the public.***

21. In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.

How much will we award?

22. Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2022/23 under this scheme is,

    a. For chargeable days from 1 April 2022 to 31 March 2023, 50% of the chargeable amount.

23. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those, where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, as required in the NNDR3 guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally funded relief under section 47, this should be applied after the Retail, Hospitality and Leisure relief.

24. Subject to the cash cap, the eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2022/23:

    Amount of relief to be granted = V x 0.5 where:

    V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs in line with paragraph 23 above.

25. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day

26. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

27. A new hereditament created because of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

Recalculations of Relief

28. The amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

29. Under regulations made under section 47 of the Local Government Finance Act 1988, authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). However, within these regulations, local authorities may still make decisions, which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

30. Therefore, when making an award for the Retail, Hospitality and Leisure relief scheme, local authorities should ensure in the conditions of the award that the relief are subject to the property's continuing eligibility.

The Cash Cap and Subsidy Control

31. Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.

32. Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:

    a. where both ratepayers are companies, and

        i. One is a subsidiary of the other, or
        ii. Both are subsidiaries of the same company, or

    b. where only one ratepayer is a company, the other ratepayer (the "second ratepayer") has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.

33. Furthermore, the Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by local authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

34. To the extent that a local authority is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted

35. In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then we will automatically withhold the relief. Otherwise, we will the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or Small Amounts of Financial Assistance limit.

How Payments will be made

36. All relief awarded will be credited to the ratepayers Business Rates account.

Notifications

37. The Council will notify all businesses identified as eligible for Retail, Hospitality and Leisure Relief.

    The notification will include the following information:-

    - The period of the award.
    - The amount of Retail, Hospitality and Leisure Relief to be awarded for the period.

Overpayments

38. The Council will recover all overpayments of Retail, Hospitality and Leisure Relief through the organisation's Business Rates account.

Right of Appeal

39. If you are aggrieved by a decision made under this scheme, you must write and tell us why you think the decision is wrong, e.g. whether the published criteria has been properly applied.

40. Your case will then be considered by someone who has not been involved in the original determination.

41. They will thoroughly check all the information we hold regarding the property and any further information you have provided. They will decide whether the criteria have been properly applied. They could then: -

    - Decide not to change the decision;
    - Change the decision and award Retail, Hospitality and Leisure Relief

    They will write to tell you what has happened, normally within 21 days of reconsidering your appeal.

Fraud

42. The Council is committed to the fight against fraud in all its forms. An organisation who tries to fraudulently apply for Retail, Hospitality and Leisure Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

Publicity

43. The Council will include information about Retail, Hospitality and Leisure Relief in the Business Rates Section of the Council's website.

Review

44. The policy will be reviewed periodically and at the end of the 2022/23 year, taking into account any changes in legislation or guidance from Central Government regarding the funding for this relief.

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