



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: Virtual meeting via MS Teams

Date: Tuesday, 16th February, 2021

Time: 10.00 am

The meeting will be held remotely via Microsoft Teams. Members and Officers will be advised on the process to follow to attend the Cabinet meeting. Any members of the public or Press wishing to attend the meeting by teleconference should contact Governance Services on 01302 736716/ 737462/ 736712/ 736723 for further details.

BROADCASTING NOTICE

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Damian Allen
Chief Executive

Issued on: Monday, 8 February 2021

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 by e-mail to the Governance Team no later than 5.00 p.m. on Thursday, 11th February, 2021. 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 9th February, 2021 for noting (previously circulated).

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

Key Decisions

- | | |
|--|-----------|
| 6. Corporate Plan 2021/22. | 1 - 24 |
| 7. Revenue Budget 2021/22 - 2023/24. <i>(Note: Appendices E and J to the report are to Follow).</i> | 25 - 82 |
| 8. Capital Strategy and Capital Budget 2021/22 - 2024/25. | 83 - 112 |
| 9. Treasury Management Strategy Statement 2021/22 - 2024/25. | 113 - 144 |
| 10. Housing Revenue Account Budget 2021/22. | 145 - 166 |

Cabinet Members

Cabinet Responsibility For:

**Chair – Ros Jones, Mayor of
Doncaster**

Budget and Policy Framework

**Vice-Chair – Deputy Mayor
Councillor Glyn Jones**

Housing and Equalities

Councillor Nigel Ball

Portfolio Holder for Public Health, Leisure and
Culture

Councillor Joe Blackham

Portfolio Holder for Highways, Street Scene
and Trading Services

Councillor Rachael Blake
Councillor Nuala Fennelly

Portfolio Holder for Adult Social Care
Portfolio Holder for Children, Young People
and Schools.

Councillor Chris McGuinness

Portfolio Holder for Communities, Voluntary
Sector and the Environment.

Councillor Bill Mordue

Portfolio Holder for Business, Skills and
Economic Development

Councillor Jane Nightingale

Portfolio Holder for Customer and Corporate
Services.

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Doncaster Council

Report

16 February 2021

To the Mayor and members of Cabinet

CORPORATE PLAN 2021-22

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

EXECUTIVE SUMMARY

1. The current Corporate Plan runs out at the end of 2020/21. An updated Corporate Plan for 2021/22 is presented at **Annex 1**. It reflects the transition to a new Borough Strategy which will replace the Doncaster Growing Together (DGT) Plan. The Corporate Plan summarises:
 - Doncaster's six emerging wellbeing goals for a new Borough Strategy and the approach that will be taken to deliver them.
 - The actions the Council will take over the next year to contribute to the wellbeing goals.
 - How the Council will ensure it has the capacity to deliver its contribution to the wellbeing goals.
2. The wellbeing goals seek to build upon the successes of DGT and drive a transformation in wellbeing over the next 10 years. They mark a significant turning point in Doncaster's commitment to improve life now and for future generations, as they are guided by the fundamental need to balance the wellbeing of people with the wellbeing of the planet.
3. After the Foreword, the Corporate Plan provides a summary of the wellbeing goals. Each of the six wellbeing goals then has a specific page that captures the Directorate priorities for 2021/22 that will help to deliver them. These are followed by a 'Connected Council' section that describes how the Council will ensure it has the capacity to fully contribute to the delivery of the goals. The Borough Strategy will be submitted for approval by September 2021.

EXEMPT REPORT

4. This report is not exempt.

RECOMMENDATIONS

5. It is recommended that Cabinet:
 - a. Considers and agrees the Corporate Plan for submission to Council 1 March 2021.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

7. The Corporate Plan forms the 'Plan' phase of the Council's annual 'Define and Deliver' improvement cycle:

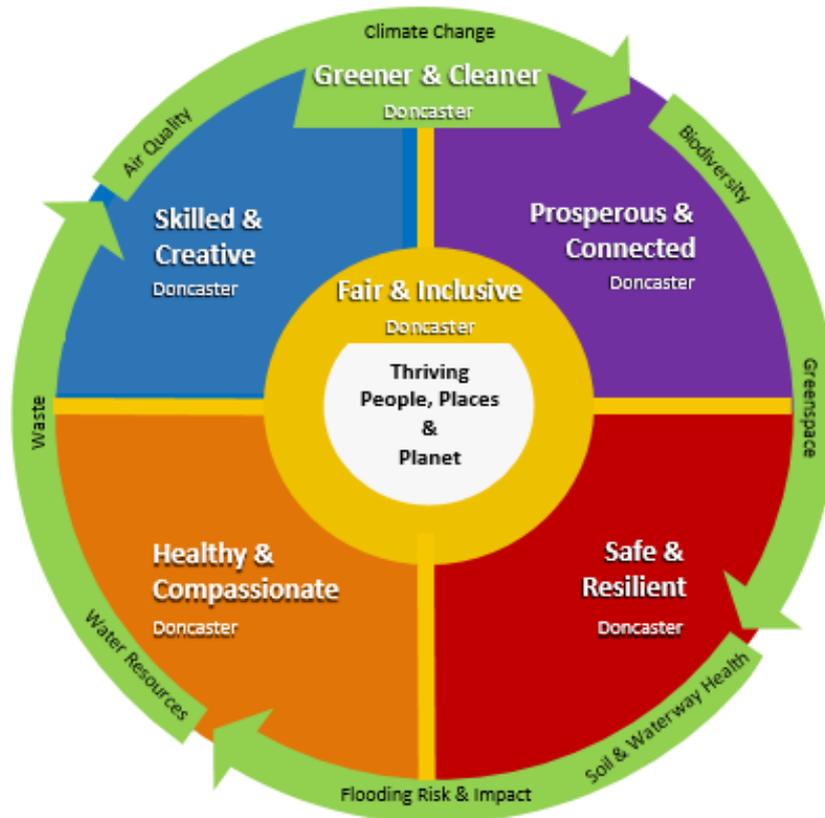
| PROCESS | STAGE | IMPROVEMENT CYCLE |
|---|---------|-------------------|
| State of the Borough Assessment | ANALYSE | |
| Updating and resourcing the Corporate Plan | PLAN | |
| Updating Delivery Programmes, Service Plans and staff Performance & Development Reviews | DO | |
| Performance monitoring and reporting | REVIEW | |

8. Over the past eighteen months, there have been seismic changes to the policy context for the Corporate Plan. In November 2019, devastating floods affected hundreds of Doncaster homes and businesses. Just as the borough was dealing with aftermath of this, at the start of 2020 the Covid-19 pandemic triggered an unprecedented health and economic crisis. In December 2020, the final report of the Climate and Biodiversity Commission set out the enormity of the effort required for Doncaster to become net carbon zero by 2040 – all of which starkly demonstrate how Doncaster is a 'place of places' in an interconnected world.
9. Within this context, there are opportunities to achieve significant and lasting improvements in wellbeing, including by:
 - Developing a more regenerative borough that renews and improves its assets, strengths and capabilities, for example by developing a circular economy that keeps finite resources in a loop of use and reuse.
 - Creating and attracting new quality 'green' jobs and businesses.
 - Working across local and regional boundaries on shared priorities with a 'one catchment' perspective, for example to reduce the risk of flooding.
 - Developing the 'foundational economy' (e.g. health and social care) and promoting health as the new wealth that can deliver multiple direct and indirect wellbeing improvements.
10. At the same time, feedback from the borough-wide 'Doncaster Talks' listening exercise has reinforced the requirement for the council to respond to the distinctive local needs, aspirations and character of our local communities

through its place shaping role and front-line service delivery. The pandemic has accelerated the transition to more agile, responsive and innovative approaches to service delivery and we have the opportunity to capitalise on them to meet the changing needs of people, places and businesses.

UPDATED CORPORATE PLAN 2021-22

11. After the Foreword, the Corporate Plan provides a summary of the wellbeing goals. The Doncaster Wellbeing Wheel below provides an overview of the wellbeing goals which collectively contribute to one central mission: *Thriving People, Places and Planet*.



12. The wellbeing goals seek to build upon the successes of DGT and drive a transformation in wellbeing over the next 10 years. They mark a significant turning point in Doncaster’s commitment to improve life now and for future generations, as they are guided by the fundamental need to balance the wellbeing of people and the well-being of the planet.
13. Each of the six wellbeing goals then has a specific page, which sets out the vision, service standards (where appropriate) and directorate priorities for 2021/22 that will help to deliver the wellbeing goals. However, new actions will also need to be considered as the work on the Borough Strategy priorities progresses. The Borough Strategy will be submitted for approval by September 2021.
14. A ‘Connected Council’ section comes after the wellbeing goals and describes how the Council will ensure it has the capacity to fully contribute to the delivery of the goals.

OPTIONS CONSIDERED

15. Three main options were considered for the updated Corporate Plan:
- a) A plan focused on building the ‘Connected Council’ capacity to deliver quality services and an effective place-shaping role.
 - b) A plan that combines ‘Connected Council’ capacity with the actions needed to deliver the existing DGT priority themes, given that a new Borough Strategy has not yet been agreed.
 - c) A plan that combines actions which will contribute to delivering the emerging wellbeing goals, with actions to build the ‘Connected Council’ delivery capacity for the future.

REASONS FOR RECOMMENDED OPTION

16. Option ‘c’ is the recommended option as this provides a Corporate Plan that:
- Starts the transition to delivering Doncaster’s emerging wellbeing goals that reflect a number of seismic changes to the policy context for the work of the Council and its Team Doncaster partners.
 - Sets out how the Council will ensure it has the capacity to deliver its contribution to the wellbeing goals and quality services.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

17.

| Outcomes | Implications |
|---|--|
| <p>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;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment | <p>The wellbeing goals and approach to delivering them seek to build upon the successes of DGT and drive a transformation in wellbeing over the next 10 years. In particular, the ‘Prosperous & Connected’ goal.</p> |
| <p>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;</p> <ul style="list-style-type: none"> • 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 & sporting heritage | <p>The wellbeing goals and approach to delivering them seek to build upon the successes of DGT and drive a transformation in wellbeing over the next 10 years. In particular the ‘Greener & Cleaner’, ‘Safe & Resilient’, ‘Skilled & Creative’ & ‘Fair & Inclusive’ goals.</p> |
| <p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning | <p>The wellbeing goals and approach to delivering them seek to build upon the successes of DGT and drive</p> |

| | |
|--|---|
| <p>experiences within and beyond school</p> <ul style="list-style-type: none"> • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work | <p>a transformation in wellbeing over the next 10 years. In particular, the 'Skilled & Creative' goal.</p> |
| <p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • 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 | <p>The wellbeing goals and approach to delivering them seek to build upon the successes of DGT and drive a transformation in wellbeing over the next 10 years. In particular the 'Healthy & Caring' goal.</p> |
| <p>Connected Council:</p> <ul style="list-style-type: none"> • 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 | <p>The Corporate Plan is the key document for ensuring the Council has the capacity to deliver: quality, targeted, value for money services; build and connect community assets; and work in partnership to deliver the borough's priorities.</p> |

18. Following agreement of the updated Corporate Plan, changes will be required to the Council's report templates to reflect the wellbeing goals. The Council's performance management framework will also need to be updated.

RISKS AND ASSUMPTIONS

19. The Corporate Plan marks the transition to a new Borough Strategy which will replace the DGT Plan. Work on the Borough Strategy is ongoing to develop outcomes, objectives and actions. There is a risk that the priorities in the Corporate Plan are therefore subject to change. However, the likelihood of significant changes being required has been reduced as a consequence of the following:
- The consultation on the draft Borough Strategy which has already taken place within the Council and with Team Doncaster partners. This includes St Leger Homes, the Health and Wellbeing Board and the Horizon, Policy & Design Group.
 - The Borough Strategy dovetailing with recently updated supported strategies, including the Environment and Sustainability Strategy and the Education and Skills Strategy.

LEGAL IMPLICATIONS [SF 24.12.20]

20. 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 24.12.20]

21. The financial implications of the priorities and actions in the Corporate Plan are contained within the Revenue, Capital and Housing Revenue Account 2021/22 budget reports that will be considered by Council in March 2021. As specific actions and programmes of activity are developed further, more specific financial implications will be provided in relevant reports.

HUMAN RESOURCES IMPLICATIONS [RH 07.01.21]

22. There are no specific HR implications arising from this report however there may be HR implications within specific projects arising from the Corporate Plan objectives; these will be included in the appropriate individual reports.

TECHNOLOGY IMPLICATIONS [PW 07.01.21]

23. Technology is an essential enabler to support the delivery of all services together with the wellbeing goals and key deliverables 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 6.1.21]

24. 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

25. 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 2020/21 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 [AP 13.01.21]

26. 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 Equalities, Diversity and Inclusion objectives, which form part of the Council's quarterly monitoring process.

CONSULTATION

27. Consultation on the updated Corporate Plan document is summarised below:

- Directors - 18 Jan
- Executive Board - 26 Jan
- Informal OSMC - 29 Jan
- Formal OSMC - 11 Feb

28. The Plan will then be submitted for approval to:

- Cabinet - 16 Feb
- Council - 1 March

BACKGROUND PAPERS

29. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

- DGT - Doncaster Growing Together
OSMC - Overview & Scrutiny Management Committee
SCR - Sheffield City Region

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Doncaster
Council

Corporate Plan 2021-22

Thriving People, Places & Planet.

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Foreword

Ros Jones, Mayor of Doncaster & Damian Allen, CEO

The year 2020 tested the resilience of Doncaster people to breaking point.

Whilst Doncaster was recovering from the devastating impact of the **2019 floods**, the **COVID pandemic** created an unprecedented **health and economic crisis**.

Within days of the first lockdown, we put a **response plan** in place to support residents and businesses.

We have **persevered, innovated and delivered** for our communities as part of an incredible Team Doncaster effort to save lives, provide care and stop the virus spreading.

Team Doncaster and Sheffield City Region (SCR) colleagues have worked tirelessly to get **financial support** out to those whose businesses and livelihoods have been affected.

We have rapidly developed **new approaches** to co-ordinate support and advice, for example through Community Hubs and the Employment Hub.

Despite the pandemic, it was also **a year of delivery** with **new homes being built** across the borough and **major projects** coming to fruition – supporting jobs, leisure, culture and learning. The Danum Gallery, Library and Museum, a new cinema and restaurants and a University Technical College are all due to open in 2021. The new railway station forecourt creates an impressive gateway into the town and urban centre master planning is inspiring **bold new plans** for developing prime sites like the Waterfront.

Responding to, and recovering from the pandemic will be our priority in 2021.

This includes continuing to roll out the **Test, Track and Trace** programmes and supporting NHS **mass local vaccinations**, which are a great cause for optimism.

Helping **residents get back to work**, alongside **supporting businesses** to survive the pandemic and thrive as Doncaster emerges from it, remain key priorities. We have seen sharp rises in the **claimant count** and **sectors** reliant on face-to-face interactions, like hospitality and leisure, have been badly affected by the loss of trade. Most businesses have experienced reduced demand and supply chain disruption.

At the same time, we must also **continue to deliver essential services** to support our communities, our businesses and our more vulnerable residents.

In 2021 a sense of hope for the future will come more clearly into view.

The pandemic is still amongst us and its legacy will be felt for years to come, but we have worked with our Team Doncaster partners to plan Doncaster's **longer-term recovery and resurgence**.

A **new Borough Strategy** will be launched in 2021, framed around **six wellbeing goals** which seek to balance the wellbeing of people and places with the wellbeing of the planet, recognising that Doncaster is part of an interconnected world. This **Corporate Plan starts the transition** to the new Borough Strategy.

We will step 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. The report of the Doncaster Climate and Biodiversity Commission and a new Environment and Sustainability Strategy are major milestones in the borough's drive to tackle this profound and pressing challenge.

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

The pandemic 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** with the goal of creating a **fair and inclusive borough**.

It is almost four years since the launch of the Doncaster Growing Together (DGT) Plan.

This marked the collective **commitment of Team Doncaster** to create a thriving place to live, learn, care and work. Successes include the:

- Award winning Complex Lives programme which is tackling homelessness.
- Get Doncaster Moving programme to increase physical activity.
- Integration of health and care to support the most vulnerable and enable people to live independently.
- Working Win health-led employment trial, providing support for employment and in-work progression.

This improved partnership working has been crucial to the effectiveness of the response to the pandemic and the new Borough Strategy will build upon DGT's achievements.

We have strategic opportunities to achieve significant borough-wide change.

This includes the chance to:

- Develop a **regenerative borough** that renews and improves its assets, strengths and capabilities, for example by developing a **circular economy** that keeps finite resources in a loop of use and reuse.
- Create and attract a significant number of **new green jobs and businesses** and use a fair and just green revolution to address challenges like unemployment, poverty and health inequalities.
- Work in partnership across regional boundaries with a **'one catchment'** perspective, for example to reduce the risk of flooding.
- Develop the **'foundational economy'** which produces essential goods and services (e.g. health and social care) and promote health as the new wealth, which is valuable in its own right and also contributes to a thriving economy and place.

Our focus also 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 the **'Doncaster Talks'** feedback. We need to work closer with communities, revitalise civic engagement and build on **local assets and strengths** to improve wellbeing.

Our approach needs to be **intelligence-led**, to enable the targeting of resources to where they are most needed and **whole-system**, in order to tackle interconnected challenges and to support people before they tip into crisis.

The pandemic has placed unprecedented stress on council services and resources.

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 will ensure Doncaster benefits from the Government's **'levelling up' agenda**, building on successes like the SCR Devolution Deal that provides £30m for each of the next 30 years for the region.

We will continue to develop the skills and capabilities to be a **Connected Council** ready for the future.

The pandemic has highlighted the best of Doncaster.

We have seen compassion, community spirit, innovation and resourcefulness in abundance.

Let's ensure this is a lasting legacy that supports one central mission: **Thriving People, Places and Planet.**

Doncaster Wellbeing Goals

This Corporate Plan summarises:

- Doncaster’s emerging wellbeing goals for a new Doncaster Borough Strategy and how they will impact on residents, communities, businesses and the environment.
- The actions the council will take over the next year to contribute to the wellbeing goals.
- How the council will ensure it delivers quality services - as measured by service standards.
- How the council will continue to develop the capabilities, resources, technology and knowledge needed to be an effective ‘Connected Council’ that works with partners to improve wellbeing.

Doncaster Wellbeing Wheel

The Wellbeing Wheel opposite shows the **six emerging wellbeing goals** for a new Borough Strategy.

The **overall mission** is: *Thriving People, Places & Planet.*

To achieve this, the **goals sharpen the focus** on a number of key imperatives, including:

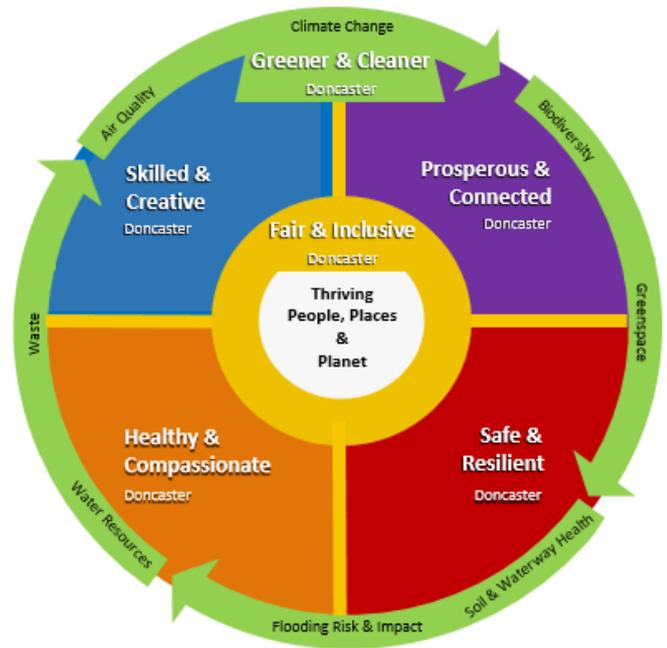
- Improving skills and supporting creativity.
- Improving the safety and resilience of people and business to challenges like pandemics.
- Developing a more compassionate approach to improving health and wellbeing.
- Developing an economy that provides good, well paid jobs and connecting residents to them.

The ‘Greener & Cleaner’ outer circle prioritises:

- The need to consider the impact on the local and global environment in all we do.

The ‘Fair & Inclusive’ inner circle provides a focus on:

- Tackling inequalities and improving social mobility.



Wellbeing Goals – Vision

| Goal | Vision |
|---|---|
| Greener & Cleaner Doncaster | A borough that takes every opportunity to protect and improve the local and global environment to improve wellbeing. |
| Prosperous & Connected Doncaster | A stronger, greener and fairer economy that provides good, well paid jobs and is supported by improved transport, active travel and digital infrastructure. |
| Safe & Resilient Doncaster | Residents feel safe and communities are more resilient to challenges and emergencies. |
| Healthy & Compassionate Doncaster | A Compassionate Doncaster that improves the conditions and opportunities for better health and how we care for our most vulnerable residents. |
| Skilled & Creative Doncaster | Residents have improved skills and a creative culture supports wellbeing, business success and solutions to the borough’s challenges. |
| Fair & Inclusive Doncaster | A borough with reduced inequalities and improved access for all to social and economic opportunities. |

Wellbeing Goals – Approach

Delivering the wellbeing goals will require innovation, new perspectives and new ways of working.

The chart opposite includes the key approaches that must guide how we improve wellbeing.

They are essential if we are to achieve long-term improvements.

Many of these approaches are already being taken and the requirement now is to embed and mainstream them.

Their relative importance will vary depending on the particular actions, projects or programmes being developed; but they should all be considered.

These are imperatives, but they do not exclude other approaches.



New ways of doing things - to improve the future

- 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. Also 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' 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, 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 SCR, to deliver shared priorities.

Intelligence led interventions

- Using data to understand the factors driving relatively poor outcomes for different population groups and communities.
- Combining different local data and insights to target services and interventions.
- Using data to measure the impact of interventions on the wellbeing goals.
- 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 actions.
- Early intervention and prevention - identifying and addressing concerns, risks and opportunities early.

Cleaner & Greener

A borough that takes every opportunity to protect and improve the local and global environment to improve well-being.

What the Council needs to do well

- Support more people to recycle and to reduce waste.
- Regularly clean the streets and roads, removing litter, detritus, fly posting, graffiti and fly tips.
- Make sure we cut grass when we say we will.

Key priorities that our resources will support in 21-22

We will:

- Continue to implement recommendations from **Doncaster's Climate & Biodiversity Commission** and the **Environment & Sustainability Strategy** as appropriate, covering actions relating to:
 - The natural environment.
 - The built environment, including designing and starting to deliver a long-term borough-wide **Housing Retrofit programme**. Net zero carbon funding is provided in the 2021/22 budget for more energy efficient buildings.
 - The economy and green technology.
 - Sustainable consumption, education and behaviour change.
- Deliver **Biodiversity Net Gain** – to ensure developments become more ecologically sustainable.
- Support the **low-carbon transition**, to ensure the benefits of acting on climate change are shared widely and the costs of a sustainable transition do not fall on those least able to pay, or whose livelihoods are most at risk as the economy changes.
- Commence the rollout of **electric vehicle charging infrastructure** for the council's ultra-low emission transport fleet.
- Invest in the **public estate to reduce carbon emissions**.

- Continue to implement the **Environment Services Improvement Plan** with a focus on short-term operational improvements (getting the basics right) and longer-term transformational change. This includes actions covering:
 - A rapid response to COVID public health risks from fly tipping and littering.
 - Moving to a 'needs-based' approach to Street Scene operations.
 - Establishing three Area-Based 'Rapid Response' teams.
 - A trial of naturalising areas of green space across the borough.
 - Increasing the number of Green Flags awarded to Doncaster's parks from three to four.
 - Planting new trees across the Borough.
- Continue to **operate environment services in a safe and risk-based way**, in line with national and organisational guidance and approaches regarding COVID.
- Continue to improve the use of **data and supporting IT systems** to inform service planning, delivery and management within Environment Services.

Prosperous & Connected

A stronger, greener and fairer economy that provides good, well paid jobs and is supported by improved transport, active travel and digital infrastructure.

What the Council needs to do well

- Process planning applications quickly and appropriately.
- Market the borough as a good place to live, work and visit.
- Encourage and support business growth and investment (indigenous and inward), targeting key employment sectors.

Key priorities that our resources will support in 21-22

We will:

- Move the **Local Plan** forward to adoption.
- Deliver **major projects** and review contracts for future resilience.
- Progress initiatives such as **Town Deals** and the **High Streets recovery programme** to support the changing nature of retail, leisure, home working etc.
- Contribute towards shaping local and regional **economic recovery plans** – this includes through actioning a **town centre recovery plan**, maximising opportunities to improve connectivity, transport, network resilience and air quality.
- Support local Doncaster companies to **safeguard local jobs** and to cope with the changing national COVID legislation and guidance.
- Scale up and refocus existing programmes through targeted funding to speed up the pace of **support for residents impacted by COVID**, e.g. Advance, Launchpad, RISE Programme and South Yorkshire Futures.
- Support residents and businesses to access and utilise **superfast broadband**.
- Agree a joint plan with public sector partners to deliver **better use of our assets** and new assets for our communities.

- Implement our accelerated **New Homes Delivery Plan**, including well designed, highly energy efficient new council homes.
 - Design and start to build new council homes on 10 sites across Doncaster (Phase 1 & 2 of the Council House Build Programme).
 - Develop Phase 3 (2020-2025) of the Council House Build Programme, which aims to build more than 300 new homes across the borough over the five year period.
 - Support our local Housing Associations to develop more affordable homes, including older people’s housing and other specialist homes.
- Evaluate the potential options for delivering **mixed tenure developments**, that have a mixture of **affordable homes** for rental and purchase.
- Maximise **active travel opportunities** and increase modal shift through participation in walking and cycling.
- Continue to push for a **train station at Doncaster Sheffield Airport**
- Work to maximise our agreed **South Yorkshire Devolution deal** and continue to explore a wider Yorkshire approach.
- Provide leadership to ensure Team Doncaster considers the opportunity and challenges arising from the UK’s **EU exit**, including:
 - Harnessing the opportunities that the EU transition will bring
 - Supporting businesses to improve their trading position and growth their businesses in a post COVID environment.
- **Maximise external funding** including:
 - ‘Levelling up’ funds from the Government.
 - Shared Prosperity funding.

Safe & Resilient

Residents feel safe and communities are more resilient to challenges and emergencies.

What the Council needs to do well

- Encourage and educate people on road safety.
- Maintain the roads to appropriate standards across the borough.
- Deal with dangerous/nuisance trees when we know about them.
- Deal with housing hazards, resolving any issues quickly.

Key priorities that our resources will support in 21-22

We will:

- Continue with **flood mitigation projects** and embed **lessons learned** to ensure robust response and recovery from **flooding emergencies** in the future.
- Develop a new **strategic approach to housing** which will include:
 - A renewed focus on poor property condition in the private sector.
 - Support for households in danger of losing their home due to COVID economic impact.
 - Ensuring homes managed by St. Leger are modern, decent, safe and energy efficient.
- Deliver safe, high quality **front-line services for children and families**.
- Support, quality assurance, and constructive collective challenge across the **Children's Safeguarding Partnership** to ensure an effective safeguarding system in Doncaster.
- Increase the **resilience of the Children's Safeguarding Partnership** through improving:
 - Early intervention and prevention.
 - The 'front door' model.
 - Multi-agency practice.
 - Intelligence-led performance management.
 - Governance.

- Ensure delivery of **high quality safeguarding services** for children, young people and their families through effective contract management of **Doncaster Children's Services Trust**.
- Explore implementing a **contextual safeguarding approach** that supports the localities delivery model, with an emphasis on place based discussions through **Local Solution Groups**.
- Embed **whole family working for the safeguarding of children**, in particular those deemed vulnerable and living in households where there are vulnerabilities, e.g. domestic violence, mental health and substance misuse.
- Help people feel safe through **focused work with vulnerable individuals** and affected communities.
- Continue to work closely with the **police and prisons** to tackle crime, in particular **domestic abuse**.

Healthy & Compassionate

A Compassionate Doncaster that improves the conditions and opportunities for better health and how we care for our most vulnerable residents.

What the Council needs 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 amount of repeat referrals, specifically for children's care.
- Support families to access free childcare entitlements.
- Support more residential homes to be rated good or better.

Key priorities that our resources will support in 21-22

We will:

- **Minimise the impact of COVID** on Doncaster people, families, communities and institutions through effective COVID control arrangements, with a focus on BAME communities, those vulnerable to poverty, homelessness, unemployment, abuse and discrimination. This includes using intelligence to ensure hard to reach groups access COVID testing and vaccinations.
- Support the borough's **recovery and renewal following COVID** by developing Asset Based Community Development, locality commissioning and the foundational health and wellbeing system, with a focus on BAME communities, those vulnerable to poverty, homelessness, unemployment, abuse and discrimination
- Create the **conditions for healthy behaviours** and in particular deliver the **Get Doncaster Moving** whole system approach to address physical inactivity, including park developments and the leisure facilities developments.
- **Improve population physical and mental health and reduce health inequalities** through strategic commissioning and the creation of key

partnerships, including with the NHS, businesses, research organisations, and the Voluntary, Community, Faith and Social Enterprise sector.

- Revise the **Health in All Policies** approach including the consideration of health in our key planning, licensing and environmental decisions.
- Review the capacity and capability of the **public health function** (and Council) in light of expected changes to Public Health England and the likely increased demands this creates, including the need to be ever more evidence informed and research led.
- **Build better lives** with people already known to social care or community teams.
- Enable **people to be independent, safe and well** and when services are needed, ensuring they are provided to a good standard.
- Target **prevention to build resilience** with people and places most at risk of escalating needs.
- Prioritise **'Home First'** by working with NHS partners so people spend less time in urgent care.
- Improve quality and value by ensuring timely **access to individually tailored services**.
- **'Act personal'**, using a clearer practice framework so our actions always reflect our principles.
- **'Think local'** to improve our connections with communities and partners to help joint working.
- **Simplify and coordinate services** so that people get more continuity and fewer hand-offs.
- Develop **information, advice and guidance**, so that there is an increased ability to give the right information in the right way at the right time.
- Develop the vision, ambition and principles for our partnership approach to **early intervention and prevention for vulnerable families and communities**, with a clear plan to support an offer that delivers sustainable outcomes for families, starting with children and families and moving to an all age integrated offer.
- Develop a new strategic approach to housing which will include:
 - Further improvement of **homelessness** prevention and the housing options for homeless people.
 - **Working with our communities** to help make homes healthier and safer.

Skilled & Creative

Residents have improved skills and a creative culture supports well-being, business success and solutions to the borough's challenges.

What the Council needs to do well

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

Key priorities that our resources will support in 21-22

We will:

- Implement a new long-term **Education and Skills Strategy** to refocus and extend the borough-wide lifelong learning offer, and to improve outcomes.
- Support positive learning outcomes in 'the Basics' through implementing targeted **Reading and Maths strategies**.
- Ensure all children and young people are well-prepared for all ages and stages, through embedding an **all-age approach to transitions**.
- Continue to develop our **University City prospectus** to enhance the 'hybrid' Post-16 education offer across the borough.
- Embed the work of the **Social Mobility Opportunity Area Programme** as it comes to an end.
- Ensure that all people engaged in supporting **learners with special educational needs and disabilities** are clear about their responsibilities and that they deliver these in line with the principles of early intervention and the graduated response to need.

- Support the **wellbeing and curriculum needs of educational staff** and learners through the COVID pandemic, the wider reopening of educational settings transition and beyond.
- Collaboratively work with partners to **support the economic response to COVID** by increasing opportunities for adult learning and re-skilling and promoting **digital literacy**.
- Work collaboratively to establish a **Talent and Innovation Ecosystem** for Doncaster that deepens relationships and pathways between the education and employment sectors.
- Work with partners to develop a new **Culture Strategy** which supports the post-COVID recovery of the cultural sector, raises the profile of culture across the borough, and supports our wider plans for education, skills, wellbeing and economic growth.
- Capitalise on the **new library and museum** and maximise the long-term opportunities of this significant asset.

Fair & Inclusive

A borough with reduced inequalities and improved access for all to social and economic opportunities.

The achievement of this vision depends upon the extent to which it shapes the development and delivery of other wellbeing goals and the Connected Council Theme. This is reflected in the ‘Key Priorities’ section below.

What the Council needs to do well

- As an employer, be open and inclusive and champion diversity.
- As a service deliverer, ensure services are shaped by Equalities, Diversity and Inclusion (EDI) objectives and we target resources to where they are most needed.
- As a community leader, support Team Doncaster to take a relentless approach to equalities, tackling deprivation and supporting residents to maximise their income, e.g. by claiming all the benefits they are entitled to.

Key priorities that our resources will support in 21-22

We will:

- Work with Team Doncaster partners to **develop the Fair and Inclusive wellbeing goal** as a mechanism for supporting and constructively challenging all other goals. For example by:
 - Establishing and communicating the borough’s ambitions and approach to reducing inequalities.
 - Supporting the Inclusion and Fairness Forum to develop and deliver EDI objectives, including by considering equalities best practice.
 - Providing equalities data and intelligence to inform policy development and to assess the impact of actions.
- Apply the **Fair and Inclusive ‘lens’** to the other goals and the ‘Connected Council’ theme to identify:
 - Priorities that are particularly important to achieving the vision - examples of this are provided in the table opposite.
 - Opportunities to join together similar priorities from across the goals that could be better co-ordinated as a package to reduce inequalities.

| Goal/Theme | Priorities to deliver the ‘Fair & Inclusive’ goal |
|-------------------------|--|
| Cleaner & Greener | <ul style="list-style-type: none"> • Support the low-carbon transition - to ensure the benefits of acting on climate change are shared widely and the costs of a sustainable transition do not fall on those least able to pay. |
| Prosperous & Connected | <ul style="list-style-type: none"> • Support for residents impacted by COVID through Advance, Launchpad, the RISE Programme and South Yorkshire Futures. |
| Safe & Resilient | <ul style="list-style-type: none"> • A renewed focus on poor property conditions in the private sector. • Support for households in danger of losing their home due to the COVID economic impact • Embed whole family working for the safeguarding of children, in particular the most vulnerable. • Help people feel safe through focused work with vulnerable individuals. |
| Healthy & Compassionate | <ul style="list-style-type: none"> • Minimise COVID’s impact and support the borough’s recovery and renewal from it – with a focus on BAME communities, those vulnerable to key factors e.g. poverty, unemployment and discrimination. This includes using intelligence to ensure hard to reach groups access COVID testing and vaccinations. • Improve population health and reduce health inequalities |
| Skilled & Creative | <ul style="list-style-type: none"> • Embed the work and achievements of the Social Mobility Opportunity Area Programme. • Ensure that all people engaged in supporting learners with special educational needs and disabilities are clear about their responsibilities and deliver these, in line with the principles of early intervention and the graduated response to need. |
| Connected Council Theme | <ul style="list-style-type: none"> • Better understand our people and places and build this into our insight, policy and decision making. • Maximise the use of innovation technology and digital ways of working to support modern, accessible customer interactions. |

Connected Council

The capacity to deliver for the future.

We will continue 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.

Resources

The council continues to face the **significant challenge of setting a balanced budget** with reducing funding, rising demand for services and increasing costs (e.g. inflation), whilst continuing to invest in the borough and protect the most vulnerable in our communities. The overall funding gap is £18.9m across 2021/22, 2022/23 and 2023/24. This comes on top of a long period of annual budget cuts. The Special Interest Group of Metropolitan Authorities (SIGOMA) has calculated that the average reduction in council core revenue spending power between 2010/11 and 2019/20 was 18.4% nationally but that the reduction for Doncaster was 26.2%

Despite continued budget constraints, we have a clear plan to manage our resources in 2021/22 and a robust and balanced **gross revenue budget of £477.0m** is expected to be in place for 2021/22. The savings proposals and budget framework that have enabled this budget to be set are driven by Doncaster's six wellbeing goals and Directorate priorities that will help to deliver them. Many of the savings proposed in the budget are a result of working more commercially, utilising technology and taking new approaches to commissioning. We will continue to explore opportunities to reduce costs and increase revenue generating options during 2021/22 by: increasing productivity and removing waste; delivering savings through transformation in a multitude of ways; and managing the demand for services through a range of targeted measures.

As well as funding high quality services for residents, the council will **continue to invest in the future of the borough** with £107.7m of capital spending estimated for 2021/22. This is part of an overall package of £341.3m of investment to 2024/25 to stimulate growth and prosperity. Residents across

Doncaster will benefit from investment in projects to further improve education, housing, infrastructure, retail, leisure and culture, as well as attracting investors and visitors to the borough. Wherever possible, we will spend our money locally to support local businesses and organisations, and create **social value** to maximise the social, economic and environmental impact of procurement to the benefits of our residents.

The council's services are delivered through people, directly and indirectly, and by far the largest element of investment is connected with the cost of employing and developing staff. The satisfaction of our customers, our efficiency and overall performance depend on **our workforce's skills, abilities, behaviour and motivation** in modernising services and changing the way it works to meet customer needs.

Programme & Performance Management

To support the delivery of the wellbeing goals Team Doncaster already has:

- A streamlined **operating model** with new boards and support groups.
- A **programme management** approach to the delivery of priorities.
- Quality of life **indicators** to measure overall success. These will be updated as part of the development of a new Borough Strategy.

Further changes will be implemented once the new Borough Strategy has been agreed, including ensuring the assessment of progress towards delivering the goals considers all contributions from across council Directorates and partner organisations.

The **Council's performance management framework** captures:

- The Council's progress in delivering its **contribution to borough priorities**, captured in quarterly monitoring reports to the council's leadership.
- The latest data for **quality of life indicators**.
- **Service standards** - reflecting what the council needs to do well, day in, day out.
- An effective **performance and development scheme** linked to a corporate skills framework.
- **Equalities, diversity and inclusion** objectives.

What the Council needs to do well

- Respond to our customers quickly, focusing on a quality customer experience.
- Process Housing and Council Tax queries quickly and appropriately.
- Ensure more people can access council services digitally.
- Collect Council Tax and Business Rates effectively.
- Wherever possible spend our money locally.
- Support employees to improve performance, engagement and attendance.
- Provide expert advice for all aspects of council business.

Key priorities that our resources will support in 21-22

We will:

- Support the work to develop and implement the **new Borough Strategy** and Team Doncaster's partnership operating model
- Continue the implementation of the **Workforce Strategy** that equips staff with the right skills and behaviours to deliver and commission good quality services, underpinned by high standards of leadership, partnership working, and safe working practices.
- Ensure the **Medium Term Financial Strategy** provides adequate resources to deliver on corporate priorities. Also that it is sufficiently flexible to respond to the unprecedented financial volatility in the short term and provides a sustainable funding strategy for the longer term.
- 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.
- Better **understand our people and places** and build this into our insight, policy and decision making.
- With the support of a revised **Communications and Engagement Strategy**, continue to develop and embed effective communications with all stakeholders and increase the ability to give the right information in the right way at the right time.
- Improve the **'front-door' service experience** of residents by simplifying our co-ordination, providing more continuity and less hand-offs.

- Support local democracy and the **2021 Local Elections** in a COVID compliant environment
- Implement **service restarts in Economy and Environment** and the stepping up of service provision in a safe and risk-based way, in line with national and organisational COVID guidance.
- Continue to build upon the ongoing **lessons learned from the response and recovery** from the COVID emergency, to develop more agile, responsive and innovative Economy and Environment service offers.
- Implement the **Buildings Recovery Plans** to support the timely stepping up of service provision across the borough
- Deliver refreshed **Responsive Asset Management Plans** for Directorates to inform the effective use of assets in supporting service delivery.
- Ensure that all the **corporate functions of the Learning and Opportunities Directorate** are closely monitored and delivered on time, including the effective implementation of the **Doncaster Integrated People Solution (DIPS) programme** and on-going business contingency planning.

Glossary of Terms

Advance

A programme funded by the European Regional Development Fund, operating under the Doncaster Employment Hub as a single gateway to streamline access to employment, skills, enterprise information and support.

Biodiversity Net Gain

An approach which aims to leave the natural environment in a better state than beforehand.

Complex Lives

Integrated partnership team working to support a cohort of people who have complex needs including addiction, mental health, domestic abuse and rough sleeping.

Devolution Deal

A deal between the Government and a region to transfer powers and funding to improve local quality of life.

Home First

An NHS funded service that supports those who are discharged from hospital, for example with care visits to provide support with everyday activities, like getting washed and dressed and preparing hot drinks and meals.

Launchpad

A programme, funded by the European Regional Development Fund which provides support to pre-start and new businesses (trading up to three years) in the SCR. Doncaster Chamber delivers the Launchpad programme for Doncaster residents and businesses, in conjunction with Doncaster Council.

RISE Programme

This supports small and medium sized enterprises (SMEs) to grow through the employment of graduate talent. RISE is delivered through a well-established collaboration of the region's local authorities, universities and a specialist private sector delivery partner working together to provide the tailored support businesses need

Sheffield City Region

A diverse and connected economy bringing together Sheffield, Barnsley, Rotherham and Doncaster. It comprises a Mayoral Combined Authority, headed by an elected Mayor and a Local Enterprise Partnership. The organisation works at a regional level to deliver business growth, improved skills and economic development.

Social Mobility

Social mobility is the movement of an individual or group from one social position to another over time.

Social Value

A term that describes how public bodies should consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

South Yorkshire Futures

A programme, convened by Sheffield Hallam University and backed by the Department for Education, which contributes to the national social mobility agenda through raising attainment and progression for pupils across South Yorkshire.

Supply chains

Networks of individuals, organisations, resources, activities and technology involved in the creation and sale of a product or service.

'Three Horizons' model

A tool for thinking about the future. It helps groups identify which of the dominant 'business as usual' approaches are no longer fit for purpose, how emerging trends/innovations can shape the future, and what action is needed to embrace them to move towards a new vision for the future.

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Doncaster Council

Report

Date: 16th February, 2021

To the Chair and Members of
CABINET

REVENUE BUDGET 2021/22 – 2023/24

| 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 2021/22 to 2023/24, continuing to deliver on our commitments, as detailed in the Corporate Plan, including being a financially well managed Council.
2. Over the last ten years, 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 seen its core Government funding more than halved during this period and faced a total budget gap of circa. £260m. Local spending is becoming more narrowly focused on Children's and Adult's Services with over 57% being spent in these areas. The Institute for Fiscal Studies has identified that core funding for Councils in England is set to be 3% lower in real terms per head in 2021/22 than in 2015/16.
3. On the 25th November, the Government's Spending Review¹ was presented to Parliament. Although Spending Reviews normally cover three or four years, to prioritise the response to COVID-19 and support jobs, the Government decided the look-ahead would only cover 2021/22. The Council received details of the provisional settlement on the 17th December. 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 funding gap of £18.9m over the next 3 years, with the biggest impact of £15.2m in 2021/22, this is detailed in paragraphs 30 to 40 and Appendix A.

¹ <https://www.gov.uk/government/publications/spending-review-2020-documents>

4. In 2020/21, the COVID-19 pandemic has placed unprecedented stress 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 next phase, from July onwards 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. The additional funding provided by Government has helped ease the financial pressures in 2020/21 however, the future financial position remains extremely uncertain.
5. Therefore the approach taken is to keep one eye on the here and now and the other on the longer term. The Council has challenged its day to day spending and considered each staff vacancy as these have arisen. The Council has supported partners such as Doncaster Culture Leisure Trust (DCLT) to continue to operate whilst revenues are below those previously experienced. Recovery is anticipated but 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 have been experienced, including Children Social Care, Adult Social Care and Homelessness. Child protection referrals were over 60% higher in both July and September compared to last year; this has led to an increase in the number and cost of placements and required additional staffing. As part of the Government Every One In policy, more people than ever before are presenting as homeless and being accommodated. 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. These service pressures will have a longer-term impact and for this reason feature in the 2021/22 budget.
7. In total, the service budget pressures are estimated at £10.2m in 2021/22, increasing to £11.7m by 2023/24. This includes £6.1m for Adults, Health & Wellbeing pressures in 2021/22, details are provided in paragraph 36 and Appendix B. In addition, the cost of pay and price inflation is estimated at £6.3m in 2021/22, increasing to £22.2m by 2023/24. This includes £1.3m set aside for Adult Social Care contracts including the impact of the Government National Living Wage in 2021/22.
8. This budget has also used the opportunity to support Greener, Fairer and More Prosperous Doncaster agenda, Tackling the Climate and Biodiversity Crisis. Provide an additional £466k to target fly tipping, which is also supported by the Council's Enforcement team, where additional funding was provided in the 2020/21 budget. The additional funding will enable enhanced services to be delivered including an increase in daily completion rate of cleansing jobs, a high quality finish in cleansing activities, improved customer satisfaction and improved lived experience, and more focussed enforcement in hotspot areas.

9. The budget includes an increase in Council Tax of 2.9% in 2021/22 (1.4% Council Tax increase and a further 1.5% increase through the Government's Adult Social Care precept). This will generate £3.4m 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 £1,446.10 per annum Band D (£964.07 Band A) which means an additional £40.75 for Band D Council Tax per annum or 78p per week (£27.17 for Band A per annum or 52p per week). The Council has chosen not to increase by the maximum 4.99%, including 3% Social Care precept, allowed by government to protect the citizens of Doncaster.
10. In addition, 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. This budget increases this level of support for LCTS providing an additional £1.25m increasing the current provision set aside to £24.2m in 2021/22.
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. The Special Interest Group of Metropolitan Authorities (SIGOMA) has calculated that the average reduction in Council core revenue spending power between 2010/11 and 2019/20 was 18.4% nationally but that the reduction for Doncaster was 26.2%. Doncaster continues to have one of the lowest Council Tax rates in comparison to other Metropolitan Districts and Unitary Authorities (the 11th lowest in 2020/21).
12. Core Spending Power (CSP) is the Government 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 £259.0m compared to £247.5m for 2020/21, representing a £11.5m increase (4.6% increase). The actual CSP based on the Council baseline position and local decisions is £254.4m compared to £255.1m for 2020/21, representing a £0.7m decrease (0.27% decrease). The main differences being that the Government CSP assumes the maximum permitted 4.99% council tax increase, compared to the 2.9% increase detailed in this report. It also assumes that the 2021/22 council tax base increases in line with the average annual growth in its council tax base between 2016/17 and 2020/21 (2.2%) rather than the reduction of 1.6% approved by Cabinet on 12th January, 2021. The LGFS essentially ignores the effects of COVID-19, i.e. it assumes 2021/22 will be a "normal" year, as the Government intends to support Councils to deal with COVID-19 by providing specific one-off funding outside the LGFS.
13. In March 2020, budget savings of £6.6m were approved in line with the Financial Strategy (£4.7m 2021/22 and £1.9m 2022/23). 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 2020 are detailed in Appendix C.

14. However, due to the further financial challenges arising from COVID-19, the Council needed to look carefully at the cost of services being delivered by the Council and make further proposals to balance the budget. Expressions of interest for voluntary redundancy and retirement were sought to reduce staff costs. The proposals identified amount to £9.7m over the 3 years, with £5.3m in 2021/22, reducing the ongoing budget position and supporting the financial sustainability of the Council going forward. They are predominately in back office functions to mitigate the impact on front line services and those received by the public; these are detailed in paragraphs 41 to 43 and Appendix D.
15. Although the Government only provided a one-year Spending Review, the Council needs to look longer term as service change and transformation takes time to form and implement. For that reason, the Council has set out a three year balanced budget using a modest level of non-recurrent funding. This will allow the Council to move forward with some certainty and deliver these plans. There will be further challenges arising from COVID-19 and the Council needs the confidence in its financial standing to build upon.
16. This budget recognises how challenging this year has been and for many how challenging the next one will be. Unemployment continues to be high in Doncaster, there were 14,215 claimants in September, which is 7.4% of the working population. This compares with 6.7% for Yorkshire & Humber region and the 6.6% national England rate. It also recognises how challenging it has been for businesses to continue trading, whilst at the same time continuing to deliver good quality services to the public. In light of the current economic position and to support our citizens, the Council has also taken the unprecedented step of freezing the vast majority of its discretionary fees and charges, as detailed in paragraph 45.
17. The financial position remains extremely uncertain over the medium-term; 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 anticipated 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 52 to 57 and Appendix H, shows the current position regarding earmarked reserves. The balance on the uncommitted General Fund reserve for 2021/22 is estimated at £16.5m; and is expected to remain at this level in 2022/23.
18. 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 58 to 63 of this report.

EXEMPT REPORT

19. Not applicable.

RECOMMENDATIONS

20. Cabinet are asked to review the information in the revenue budget report and provide updates where required.

21. That Council will be asked to approve the 2021/22 to 2023/24 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 £501.3m and a net revenue expenditure budget of £199.6m, as detailed in Appendix A;
 - c) Council Tax increasing by 2.9% to £1,446.10 for a Band D property (£964.07 for a Band A) for 2021/22. This includes:-
 - i) 1.4% Council tax increase, equating to an increase of £19.67 for Band D per annum, 38p per week (£13.12 for Band A per annum, 25p per week);
 - ii) 1.5% Government Adult Social Care precept, equating to an increase of £21.08 for Band D per annum, 40p per week (£14.05 for Band A per annum, 27p per week);
 - d) the revenue budget proposals for 2021/22 detailed at Appendix B (pressures £10.2m) and Appendices C and D (savings £10.0m);
 - e) Delegate the allocation of the additional £2.975m Social Care funding to the Director of Learning, Opportunities and Skills and Assistant Director of Finance (Section 151) in consultation with the Portfolio Holder for Children, Young People and Skills outlined in paragraph 39.
 - f) the 2021/22 Grants to 3rd Sector Organisations outlined in paragraph 48 and Appendix F;
 - g) the fees and charges proposed for 2021/22 at Appendix G;
 - h) note the Chief Financial Officer's positive assurance statements (detailed in paragraphs 58 to 63).

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. We are committed to ensuring that what we are proposing in the budget meets our policy intent but also meets how we want to deliver services in the future. The Corporate Plan 2021/22 reflects the transition to a new Borough Strategy, which will replace the Doncaster Growing Together Plan. It is framed around the same six emerging well-being goals:

| Goal | Vision |
|----------------------------------|---|
| Greener & Cleaner Doncaster | A borough that takes every opportunity to protect and improve the local and global environment to improve well-being. |
| Prosperous & Connected Doncaster | A stronger, greener and fairer economy that provides good, well paid jobs and is supported by improved transport, active travel and digital infrastructure. |

| Goal | Vision |
|-----------------------------------|---|
| Safe & Resilient Doncaster | Residents feel safe and communities are more resilient to challenges and emergencies. |
| Healthy & Compassionate Doncaster | A Compassionate Doncaster that improves the conditions and opportunities for better health and how we care for our most vulnerable residents. |
| Skilled & Creative Doncaster | Residents have improved skills and a creative culture supports well-being, business success and solutions to the borough's challenges. |
| Fair & Inclusive Doncaster | A borough with reduced inequalities and improved access for all to social and economic opportunities. |

24. The well-being goals mark a significant turning point in Doncaster's commitment to improve life now and for future generations as they are guided by the fundamental need to balance the wellbeing of people with the wellbeing of the planet. This is reflected in one central mission: Thriving People, Places and Planet.
25. This budget supports the transition to these new well-being goals and the approach that will be taken to deliver them: -
- a) New ways of doing things - to improve the future
 - b) Regenerative Development
 - c) Working closer with communities
 - d) Shared Responsibilities - locally and regionally
 - e) Intelligence led Interventions
 - f) Whole Life, Whole System integration
26. For example, to support the 'Greener & Cleaner' Goal funding is provided for the Environment and Sustainability Strategy, in response to the climate change and biodiversity emergency declaration. Resources are also being increased to target fly tipping.
27. This budget is also an integral part of the 'Connected Council' section in the Corporate Plan which sets out how the Council will continue to develop the capabilities, resources, technology and knowledge needed to deliver quality services and work with communities and partners to improve well-being. This includes a number of things that the Council needs to do well: -
- a) Respond to our customers quickly, focusing on a quality customer experience.
 - b) Process Housing and Council Tax queries quickly and appropriately.
 - c) Ensure more people can access Council services digitally.
 - d) Collect Council Tax and Business Rates effectively.
 - e) Wherever possible spend our money locally.
 - f) Support employees to improve performance, engagement and attendance.
 - g) Provide expert advice for all aspects of council business.
28. The financial strategy should also be read in conjunction with other Council strategy documents including Capital Programme, Housing Revenue Account (HRA) budget, Treasury Management Strategy and Capital Strategy.

Medium-term Financial Strategy (MTFS) 2021/22 to 2023/24

29. 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 2021/22 to 2023/24 is £18.9m, summarised below and further details provided in Appendix A.

EXPLANATION OF THE FUNDING GAP

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

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | Total 2021/22 – 2023/24 £m |
|-------------------------------------|---------------|---------------|---------------|-------------------------------------|
| Baseline Income & Government Grants | 72.6 | -20.9 | -1.5 | 50.2 |
| Council Tax Income | 1.5 | -5.3 | -5.2 | -9.0 |
| Grant Exit Strategies | -31.9 | 0.0 | 0.0 | -31.9 |
| Pay & Price Inflation | 6.3 | 7.2 | 8.7 | 22.2 |
| Levying Bodies & Other Expenditure | 3.1 | 0.2 | -0.1 | 3.2 |
| Service Pressures | 10.2 | 1.2 | 0.3 | 11.7 |
| Funding Gap | 61.8 | -17.6 | 2.2 | 46.4 |
| Use of One-off Reserves | -46.6 | 19.1 | 0.0 | -27.5 |
| Gap | 15.2 | 1.5 | 2.2 | 18.9 |

31. The baseline income and government grants reduce significantly in 2021/22 for two reasons. Firstly, section 31 grants for business rate reliefs of £19.1m received in 2020/21 will not be received in 2021/22. Secondly, the 2020/21 collection fund deficit created by providing these reliefs has to be recovered in 2021/22 (these are legislative requirements). The use of one-off reserves changes by £46.6m because in 2020/21 £27.5m was put into reserves and in 2021/22, £19.1m is being taken out of reserves (these transfers into/out of reserves facilitate carrying forward the section 31 grants for business rate reliefs from 2020/21 to 2021/22 to fund the collection fund deficit as described above).

32. The change includes the anticipated reduction of business rates income of £1.2m in 2021/22; based on the current baseline position, which is 1.2% lower than the starting position for 2020/21, and a further 1.2% reduction estimated for 2021/22. The estimated income from business rates could potentially worsen considerably depending on the economic position affecting businesses and the availability of business rate reliefs provided by government. In 2020/21, government provided £38m additional business rate reliefs to businesses in Doncaster.

33. The forecast decrease in Council Tax income for 2021/22 is due to a number of contributing factors. This includes an estimated increase in the cost of the Local Council Tax Reduction Scheme of £1.25m, anticipated worsening of the collection rate from 98.6% to 97.5% based on 2020/21 collection trends impacted by COVID-19 and the distribution of the collection fund deficit from 2020/21 of

£4.5m (£1.5m per year spread over three years). This is offset by additional income from growth forecast (based on the current tax base and assumptions for 2021/22) of £0.7m and the £3.4m additional income generated from the 1.4% Council Tax increase and 1.5% government Adult Social Care precept.

34. 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 44% of the Council's baseline funding. Therefore, attention will need to be focused on these critical income streams to minimise the reductions as much as possible to maintain funding levels and prevent further savings being required.
35. The additional cost of pay and price inflation is estimated at £6.3m in 2021/22, increasing to £22.2m by 2023/24. This provides for estimated rising pay costs of £4.8m in 2021/22, increasing to £11.4m by 2023/24. The cost of contract inflation is estimated at £2.8m in 2021/22, increasing to £10.4m by 2023/24; 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 lower than previously anticipated due to the current national financial position and expectations for 2021/22. As a result of COVID-19 restrictions and the related economic slowdown, the Office for Budget Responsibility (OBR) reported that the UK's Gross Domestic Product (GDP) dropped by a record 19.8% in the first three months of 2020/21. The OBR expects the economy to contract by 11.3% this year, with the output not returning to pre-crisis levels until the final quarter of 2022. There will also be "long-term scarring" - the economy will be around 3% smaller than expected in the March Budget, in 2025.
36. 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 for 2020/21. 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 is £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: -
- i) 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 will be managed in accordance with the current strategy.
 - ii) 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.
 - iii) Non-residential – assumes no growth, based on effective assessments taking place, strong front door, greater use of Assistive Technology and improved working practices.
37. Although the Council is currently forecasting a breakeven position for 2020/21 with the use of one-off COVID-19 funding, there are a number of pressures that are expected to continue into 2021/22, and in some cases beyond. The MTFs provides the funding to meet these service pressures and provides minimal growth essential to deliver our priorities without placing additional burdens on the

Council to deliver greater savings. These pressures are fully 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.

38. During 2020/21, the Council has responded to the changing levels of personal restrictions, which have affected our personal freedoms and business activity. The Government have provided resources through specific grants and the Council's role has been to administer these in accordance with the conditions of the grants. The majority of these will be expended in 2020/21, reported as part of the Finance and Performance Reports and do not feature as part of this budget report. There will be some grants in respect of COVID-19 that are expected to impact on 2021/22, which are detailed in the specific grants section in Appendix A. This will include £9.79m announced for further emergency funding and the indicative allocation of £2.79m of local council tax support grant. The Council is also expecting compensation for 2020/21 council tax and business rate losses, although the details of how this scheme will work are not yet available and therefore it is uncertain if this grant will impact on 2021/22.
39. The MTFS includes £2.975m for the additional Social Care Support grant, which was announced in the Spending Review. This funding will be allocated in 2021/22 only, to provide for additional Children Social Care pressures that are not provided in the MTFS and detailed in Appendix B. The service demand pressures include over 60% more referrals in July and September compared to the previous year leading to higher numbers of Children In Need, on average 18% higher for the period September to November, greater numbers of Children with a Child Protection Plan, circa. 28% increase for the same period, and Children in Care. Although the estimated impact on the majority of the budget areas in 2021/22 is detailed in Appendix B, there are further areas which will be met from this funding allocation. This includes funding for additional social workers to ensure caseloads are manageable and contingency funding for service reviews. The MTFS assumptions included £1.2m projected income from the DfE in 2021/22, following further discussions this income will not be received. The Social Care support grant will be utilised to meet this £1.2m income shortfall and continue to provide the baseline funding; this position will be reviewed during 2021/22 in preparation for 2022/23 (the MTFS includes £0.7m income budget for 2022/23). The £2.975m funding will be delegated to the Director of Learning, Opportunities and Skills and Assistant Director of Finance (Section 151) in consultation with the Portfolio Holder for Children, Young People and Skills.
40. As highlighted previously there remains considerable uncertainty in relation to the MTFS due to the anticipated Fair Funding Review (FFR), the "full reset" of the Business Rates Retention scheme and the long awaited Adult Social Care White Paper.

Budget Proposals and Overall Position

41. The budget proposals previously approved in the 2020/21 budget are detailed at Appendix C.
42. 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. Therefore, our approach this year has been to undertake a thorough

review of all budgets to identify savings to balance the budget that will not affect front-line services or destabilise the organisation at this critical time. The budget proposals will mainly be delivered by reducing back-office functions, utilising all available uncommitted budgets and reductions to central budgets, e.g. pension budgets and treasury management. The additional budget proposals identified amount to £9.7m over the 3 years, with £5.3m in 2021/22, reducing the ongoing budget position. These are detailed at Appendix D.

43. The Council will continue to explore opportunities to reduce costs and increase revenue generating options during 2021/22, 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:
 - i. Preventing people needing services or needing an increase in services;
 - ii. Transitioning people to less dependence on current services; and
 - iii. 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.

44. The table below shows how the budget is balanced over the three years with the savings identified and the use of one-off COVID-19 funding:

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | Total 2021/22 – 2023/24 £m |
|----------------------------------|---------------|---------------|---------------|-------------------------------------|
| Budget Gap | 15.2 | 1.5 | 2.2 | 18.9 |
| Savings approved in 2020/21 | -4.7 | -1.9 | 0.0 | -6.6 |
| Savings proposals | -5.3 | -3.5 | -0.9 | -9.7 |
| Recurrent Budget Gap | 5.2 | -3.9 | 1.3 | 2.6 |
| Use of COVID-19 reserve in 21/22 | -5.2 | 5.2 | | 0.0 |
| Use of COVID-19 reserve in 22/23 | | -1.3 | 1.3 | 0.0 |
| Use of COVID-19 reserve in 23/24 | | | -2.6 | -2.6 |
| Balanced Budget | 0.0 | 0.0 | 0.0 | 0.0 |

Fees & Charges

45. Fees and charges are not proposed to be increased due to low levels of inflation (September CPI was 0.5%) and the need to encourage the use of services. 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. A summary of changes to fees and charges is shown at Appendix G, along with fees and charges where specific approval by full Council is needed each year.

Post Reductions

46. A review of the budget proposals has been undertaken and has identified an estimated 26.6 full time equivalent (FTE) potential post reductions for the budget proposals detailed in Appendix C and D (17.0 FTE for 2021/22 and 9.6 FTE for 2022/23). 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 i.e. fly-tipping (15 posts) and Children Social Care, which will increase the number of posts during the specific funding period.

2021/22 Baseline Budgets by Service Area

47. The 2021/22 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).

Grants to Third Sector Organisations

48. The 2021/22 grants proposed to third sector organisations (£0.7m) 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

49. 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.

50. 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.

51. 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

52. 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.

53. To note there are one-off Minimum Revenue Provision (MRP) budgets, which are being earmarked for one-off requirements, e.g. Service Transformation Fund and VER/VR, funding; this is not available for on-going pressures. The 2019/20 Budget Report approved the allocation of the one-off MRP funding as follows: -

| | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Total £'m |
|--|----------------|----------------|----------------|--------------|
| Service Transformation Fund | 0.9 | 0.5 | 0.7 | 2.1 |
| VER/VR | 3.0 | 3.0 | 3.0 | 9.0 |
| Feasibility works for capital projects | 0.5 | 0.5 | 0.5 | 1.5 |

54. 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 2020/21 is detailed in the quarterly Finance and Performance Reports; the balance being carried forward to 2021/22 is estimated at £10.1m. In addition to the specific grants provided, detailed in paragraph 38, this will be drawn down as required to meet pressures arising during 2021/22.
55. Uncommitted reserves are balances held as contingencies against risks such as emergency events. The uncommitted reserves are expected to remain at £16.5m by 2022/23.
56. 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 review of known provisions and contingent liabilities;
 - the likelihood of overspend for either revenue or capital;
 - the likelihood of any additional income that would be credited to reserves;
 - the robustness of the Council's revenue budget proposals;
 - the adequacy of funding for the Capital Programme; and
 - any potential significant expenditure items for which explicit funding has not yet been identified.
57. Appendix I provides the risk assessment of the Council's level of reserves, which estimates the value of the risks at £15.0m leaving £1.5m headroom over the level of un-committed ongoing general fund reserves available of £16.5m. The un-committed reserves are not excessive for a Council of our size, which spends circa. £500m a year; £16.5m would only run the Council for 12 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

58. 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)

59. This report sets out the Council's spending plans to deliver on its corporate priorities as detailed in the Corporate Plan. It seeks to balance the need to respond to the current unprecedented financial volatility whilst at the same time providing a sustainable financial strategy for the longer term.
60. The financial climate continues to be extremely challenging. We have faced significant funding reductions in our local government finance settlements arising from Comprehensive Spending Reviews of 2010, 2013 and 2015. The unprecedented set of cuts and pressures required managers to deliver significant savings of £148.3m over the 5 years 2014/15 to 2018/19 and a further £30.9m over the period 2019/20 to 2022/23. Recently, the COVID-19 pandemic has resulted in significant volatility, with additional costs to support operational services, reduced income from services, business rates and council tax, and delays delivering savings. Given the exceptional nature of circumstances, the Government have recognised these financial challenges and provided additional one-off COVID grant funding in 2020/21 and the start of 2021/22. The 2021/22 financial settlement also included some additional funding, which improved the anticipated budgetary position and provided some short-term relief. However, the longer-term impact on the Council finances is uncertain, with the output potentially not returning to pre-crisis levels until the final quarter of 2022 and 'long-term scarring' being reported. In addition, we are facing increasing demand for services and growing costs, particularly in Children Social Care. There is also uncertainty with regard to Council baseline funding due to the impending Fair Funding review, Business Rates Reset and Adult Social Care White Paper. The current financing regime continues to provide significant one-off funding for ongoing increasing pressures with Council resources being more narrowly focused on social care services.
61. This budget includes additional funding to support its most vulnerable residents, providing significant investment for Adults and Children Social Care pressures. It also includes robust estimates for council tax and business rates, based on a thorough review of the baseline position and assumptions for future years taking into account local data and intelligence. Ongoing additional savings have been identified to continue to reduce the baseline position in accordance with our strategies. We have also reviewed the reserves position and strengthened the one-off earmarked reserves to provide additional flexibility; these are detailed in paragraphs 52 to 57. In addition, one-off investment has been provided to deliver specific priorities identified, e.g. fly-tipping. The budget is balanced using one-off reserves, although these are not significant and is a planned use of reserves. The remaining shortfall at the end of the 3 years is also manageable for a Council of our size, with sufficient time to prepare.
62. 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 intelligence. The evaluation is based on the following key factors: -
- the budget proposals have been developed by those responsible for service delivery, taking account of the implications of implementing the changes. Targets are clear and there is commitment and ownership from managers to deliver. Each budget manager is required to deliver within the budget target. This will provide additional assurance, rigor and comfort for the Council in

carrying out its responsibilities. These proposals will provide a balanced budget for 2021/22 as long as the risks set out in Appendix I can be managed;

- we have reviewed the pressures identified in 2020/21 and where required have provided adequate funding for 2021/22;
- a review of the quarter 3 projected outturn figures has been undertaken to further challenge the budget proposals and ensure they are based on the most up to date information available. Any further pressures identified will need to be managed during 2021/22 as part of the revenue monitoring process;
- the development of financial skills amongst Council managers is critical to the success of delivering the spending targets set in this budget; 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”.

63. 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

64. 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 2021/22 as part of the final Local Government Financial Settlement in January/February 2021. Any increase of 5.0% or greater for those authorities that have decided to implement up to the maximum 3.0% adult social care “precept” will be deemed excessive.

65. Full details of the Council Tax Referendum Cap and calculation will be presented as part of the Council Tax setting report to Council on 1st March 2021.

OPTIONS CONSIDERED

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

REASONS FOR RECOMMENDED OPTION

67. 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

68. These are detailed in the table below: -

| | Outcomes | Implications |
|--|--|---|
| | <p>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;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment | |
| | <p>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;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • 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 | <p>Council budget therefore impacts on all outcomes</p> |
| | <p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Connected Council:</p> <ul style="list-style-type: none"> • 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

69. 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 reduces by more than forecast in the MTFS assumptions. This includes the risk that the business rates income reduces due to businesses ceasing as a result of the economic situation and/or business rate relief not being provided to support them to continue to operate. This is a significant risk within this budget; £38m additional business rate reliefs have been awarded to date in 2020/21. Further details are not expected on the business rate reliefs until the 3rd March budget announcement.
- b) Exiting the European Union – risks that may materialise due to exiting the European Union e.g. increases costs.
- c) 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.
- 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) 2020/21 Monitoring Position – risks that the 2020/21 monitoring position worsens which impacts on the underlying baseline financial position moving into 2021/22.
- 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 estimate built into the MTFS.
- 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 reforms to Business Rates Retention and the Fair Funding Review.
- 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 2021/22 at the earliest); this would 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.

70. The estimates have been produced based on the latest information available, the risks will be monitored during 2021/22 as part of the budget monitoring cycle. The MTFS budget assumptions are continuously reviewed and updated for any

changes; including a thorough review during 2021/22 in preparation for 2022/23 budget setting.

LEGAL IMPLICATIONS [Officer Initials...SRF... Date...07.01.21]

71. 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.
72. 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.
73. Any proposed changes to services will require specific legal advice prior to implementation.
74. 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...RI... Date...05.01.21]

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

HUMAN RESOURCES IMPLICATIONS [Officer Initials...RH...Date...13.01.21]

76. 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...09.09.20]

77. 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 ...04.01.21]

78. The choices the council makes in both raising and allocating revenue budgets will impact on the health of the population. In general, 20% of what contributes to health is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment. The State of the Borough assessment and Doncaster Growing Together plan are both informed by health outcomes and use health outcomes to monitor impact. The impact on a set of health outcomes are also incorporated in the council's corporate plan. Within the financial resources available, this paper sets out clearly the broad areas of revenue investment in both universal and targeted services and how within a reduced financial envelope there are plans to maintain and even improve the quality of local services. 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...22.01.21]

79. 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.

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

Having due regard to advancing equality involves: -

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

81. 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.

82. The additional savings have been reviewed with regard to our PSED obligations and it has been identified that none of the proposals require a due regard assessment.

CONSULTATION

83. Directors and Cabinet have considered the budget proposals at several meetings between May 2020 and December 2020. Key dates in the budget timetable leading up to Council approving the budget on the 1st March, 2021 are detailed below: -

- Cabinet – MTFs 2021/22 to 2023/24 approved – 29th September, 2020
- Government’s Spending Review 2020 – 25th November, 2020
- Provisional LG Finance Settlement 2021/22 – 17th December, 2020
- Cabinet – Council Tax Base 2021/22 approved – 12th January, 2021
- Union Engagement – regular Doncaster Consultative Group meetings including 23rd September, 2020, 18th November, 2020 and 2nd February, 2021
- Overview & Scrutiny Management Committee (OSMC) – Budget-briefing session 1st February, 2021 and OSMC meeting 11th February, 2021
- The Chair of the Overview & Scrutiny Management Committee will respond to the Mayor’s budget proposals, response to follow (Appendix I)
- Labour Group – Budget Consultation 27th January, 2021
- Budget sessions with Group Leaders February, 2021
- Final LG Finance Settlement Announcement 2020/21 – January/February, 2021
- Cabinet – Council reports – 16th February, 2021.

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 2020/21 – 2022/23, 5th March 2020.
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=2854&Ver=4>
- (2) Cabinet Report – Restart, Recovery and Renewal Plan, 28th July 2020.
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3474&Ver=4>
- (3) Cabinet Report – Updated Medium-Term Financial Strategy (MTFS) 2021/22 – 2023/24, 29th September 2020.
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3478&Ver=4>

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 Community 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
DTC – 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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Faye Tyas
Assistant Director of Finance (Section 151)

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Appendix A

Medium-Term Financial Strategy (MTFS) and key assumptions

The Medium-term Financial Strategy for 2020/21 – 2023/24 is provided below: -

| | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|--|-----------------|-----------------|-----------------|-----------------|
| Income | | | | |
| Retained Business Rates | -49.546 | -26.550 | -47.009 | -47.923 |
| Top Up Grant | -34.854 | -34.855 | -35.552 | -36.263 |
| Baseline Funding | -84.400 | -61.405 | -82.561 | -84.186 |
| Revenue Support Grant | -20.368 | -20.480 | -20.889 | -21.307 |
| Settlement Funding Equivalent | -104.768 | -81.885 | -103.450 | -105.493 |
| Compensation for under-indexing the business rates multiplier | -3.323 | -4.224 | -4.224 | -4.224 |
| Council Tax Income | -119.170 | -117.679 | -122.958 | -128.204 |
| Improved Better Care Fund | -15.831 | -15.831 | -16.147 | -16.470 |
| New Homes Bonus | -4.086 | -2.375 | -1.059 | 0.000 |
| Social Care Support Grant | -9.562 | -12.537 | -12.787 | -13.043 |
| Lower Tier Services Grant | 0.000 | -0.441 | -0.441 | -0.441 |
| Core Spending Power Equivalent | -256.740 | -234.971 | -261.066 | -267.875 |
| Public Health Grant | -24.436 | -24.436 | -24.436 | -24.436 |
| s31 Business Rates Grants | -24.370 | -3.989 | -3.989 | -3.989 |
| Other Specific Grants | -78.433 | -46.551 | -46.551 | -46.551 |
| Customer & Client Receipts | -44.372 | -44.372 | -44.372 | -44.372 |
| Other Income | -65.978 | -65.978 | -65.978 | -65.978 |
| Housing Benefit | -56.321 | -56.700 | -56.700 | -56.700 |
| Total Income | -550.650 | -476.997 | -503.092 | -509.901 |
| Expenditure | | | | |
| Total Council Expenditure (Funded) | 489.182 | 523.216 | 501.327 | 504.428 |
| Expenditure Changes | | | | |
| Housing Benefit change (nil impact on gap) | -3.929 | 0.379 | 0.000 | 0.000 |
| Grant decreases exit strategies (one-off) | -2.691 | -29.621 | 0.000 | 0.000 |
| Grant decreases exit strategies (on-going) | -0.319 | -2.261 | 0.000 | 0.000 |
| Adult Social Care Ladder | 0.000 | -1.292 | 0.800 | 0.906 |
| Staffing | -4.166 | 4.834 | 2.601 | 3.956 |
| Prices Changes | 4.600 | 2.800 | 3.750 | 3.750 |
| Levying Bodies | 0.100 | 0.100 | 0.100 | 0.100 |
| Expenditure funded from additional income incl above | 33.488 | 2.975 | 0.000 | 0.000 |
| Budget Pressures | 14.017 | 10.225 | 1.212 | 0.293 |
| Gross Budget | 530.282 | 511.354 | 509.789 | 513.433 |
| Budget Proposals for cost reductions | -7.066 | -10.027 | -5.361 | -0.926 |
| Use of one-off Committed Reserves | 8.294 | | | |
| Use of one-off Covid-19 Reserves | | -5.189 | -1.336 | -2.606 |
| Use of one-off s31 Business Rates grants | 19.140 | -19.140 | | |
| Total Budget Gap | 0.000 | 0.000 | 0.000 | 0.000 |
| Gross Budget (Total Income plus one-off uncommitted reserves) | 523.216 | 501.327 | 504.428 | 512.507 |
| Net Budget Requirement (including Baseline Income) | 223.938 | 199.564 | 226.408 | 233.697 |

CHANGES IN LOCAL GOVERNMENT FUNDING

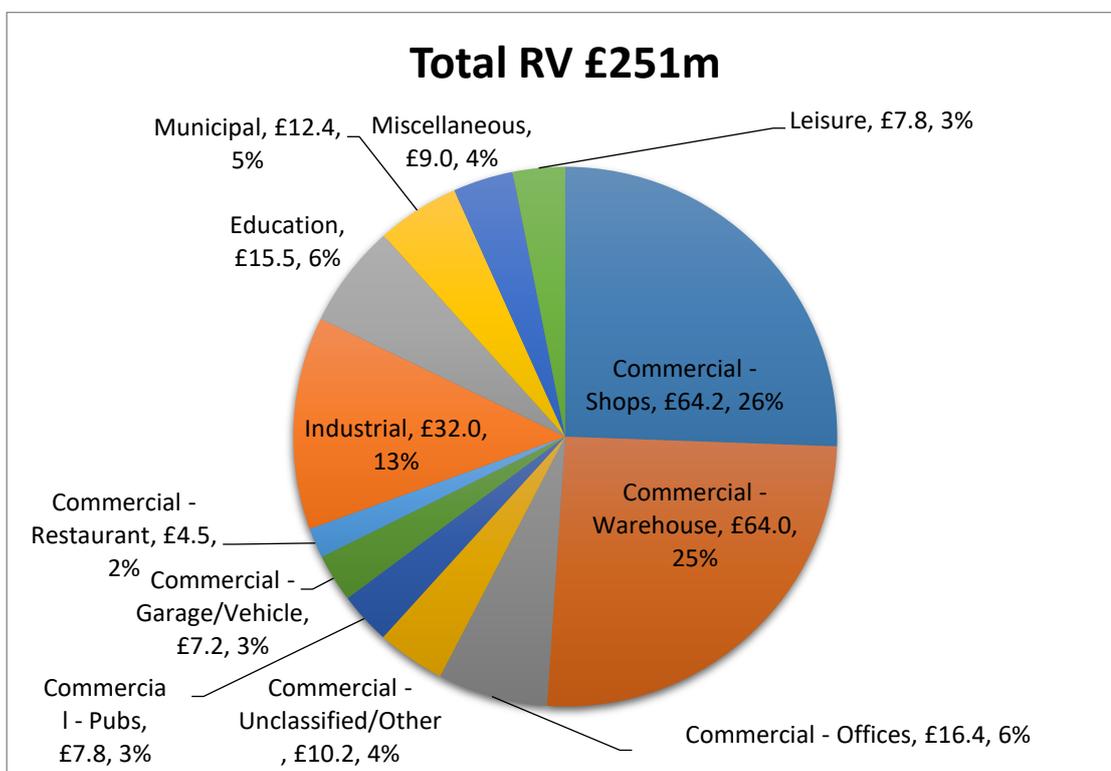
1. Following the 2010 General Election, the Coalition Government embarked on an austerity programme aimed at removing the Government's budget deficit and bringing the Government's finances back into surplus. The Spending Review announcements covering the years 2011/12 – 2019/20 contained large and sustained 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 last ten years the Council has faced a total budget gap of circa. £260m.
3. The LGA previously reported that Council Services face an additional funding requirement for their annual day-to-day spending of £13.2 billion by 2024/25, growing at a pace of over £2.6 billion each year on average. When compared to the assumed changes to council funding levels, this leads to a funding gap of £6.4 billion forming in the day-to-day council budgets in 2024/25 in comparison to 2019/20 budgets¹. In addition to these challenges Councils' are also facing the financial implications of COVID-19, which are estimated at £2bn.
4. Prior to the General Election in June 2017, the Government consulted on changes to the local government finance system (including a review of the formula used) to pave the way for the implementation of 100% business rate retention from 2020/21. As part of this process, Revenue Support Grant (RSG) will be phased out. In the 2018/19 provisional Finance Settlement, the Government confirmed their aim to increase business rates retention to 75% for all local authorities in 2020/21 to help meet the commitment to give local authorities more control over the money they raise locally. This will be through incorporating existing grants into business rate retention including RSG and the Public Health Grant.
5. A full Spending Review was anticipated in autumn 2020, which would set out the funding available for Government Departments for 2021/22 onwards. A Fair Funding Review (FFR) was also expected, which would set out how the funding determined by the Spending Review 2020 would be allocated for 2021/22 onwards. In addition, a "full reset" of the Business Rates Retention scheme was expected. In the 2018/19 provisional Finance Settlement, the Government launched a consultation on a Review of Local Authorities Relative Needs and Resources – the Fair Funding Review – which changes the way funding is allocated for 2020/21 onwards. The intention was for a further consultation over the summer of 2019 with implementation in 2020/21.
6. On 24th March, the Government announced that the Comprehensive Spending Review, would be delayed from July to enable the government to remain focused on responding to the public health and economic emergency. Councils will therefore receive a one-year settlement for 2021/22. The provisional settlement allocations will not be notified until December 2020 following the Spending Review in the autumn. Subsequent announcements have also postponed the Business Rates Reset, 100% Business Rates Retention and the Fair Funding Review.

¹ <https://www.local.gov.uk/about/campaigns/councilscan/council-funding-requirement-and-funding-gap-technical-document>

7. The Spending Review 2020 was announced on 25th November 2020; the Government announced indicative allocations of funding for 2021/22 in the provisional local government finance settlement announcement on 17th December 2020. Final allocations of funding for 2021/22 were confirmed in the final local government finance settlement announcement on 10th February 2021.

BASELINE FUNDING AND BUSINESS RATES GRANTS

8. 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.
9. 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 2021/22.
10. 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.
11. 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 2022/23.
12. For information, the breakdown of total rateable value of Business Rates by category, as at the end of December 2020, is shown in the chart below: -



THE COLLECTION FUND

13. 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

14. 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 2021/22. The MTFS includes no increase in the multiplier for 2021/22 and 2% per annum for subsequent years, which is built into the Retained Business Rates and Top Up grant lines. (to be updated to included assumptions for growth, loss on collection, reliefs etc)
15. The net Retained Business Rates income is reduced for losses on collection and losses due to appeals of approximately 1.5% and 2% respectively.
16. 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.
17. The overall decrease in Retained Business Rates income of £23.0m is due to: -
- the repayment of the deficit for 2019/20 of £1.9m;
 - the repayment of the estimated deficit for 2020/21 of £19.3m. This is largely due to the additional retail relief granted during 2020/21 (for which the Government will pay a section 31 grant); and
 - a reduction in the baseline of £1.8m for 2021/22. The baseline in 2020/21 has reduced by circa 1.2% caused by COVID-19 and it is assumed that the baseline will reduce by a further 2.7% in 2021/22.

Council Tax

18. A breakdown of the 2021/22 Council Tax income and assumptions are provided below: -

| | |
|---------------------------------------|------------------|
| Council Tax (Band D) | £1,446.10 |
| Band D Equivalent Properties | 82,810 |
| Council Tax Income | £119.753m |
| Collection Fund (Council Tax) Deficit | (£2.074m) |
| Total Council Tax Income | £117.679m |

19. The overall decrease in Council Tax income of £1.5m is due to: -

- the repayment of the accumulated deficit up to and including 2020/21 of £3.0m, largely caused by increased levels of Local Council Tax Support (LCTS) and reduced growth in the number of properties;
- 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 prudent to assume the on-going effects of COVID-19 will lead to a downturn in the economy and will negatively impact on the long-term collection rate so the assumed collection rate for Council Tax in 2021/22 has been reduced from 98.6% to 97.5% which reduces Council Tax income by £1.3m;
- it is assumed that the increased levels of LCTS granted in 2020/21 will continue into 2021/22 which reduces Council Tax income by £1.3m;
- the increase in the Adult Social Care levy of 1.5% will generate an additional Council Tax income of £1.7m;
- the increase in the core level of Council Tax of 1.4% will generate an additional Council Tax income of £1.6m; and
- it is assumed that the number of properties will grow in 2021/22, albeit at a lower rate than in previous years, which will generate an additional Council Tax income of £0.7m.

IMPROVED BETTER CARE FUND

20. 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.
21. The final settlement confirms that this funding will continue at the same level of £15.831m in 2021/22.
22. 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

23. 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.
24. 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. As part of the Spending Round on 4th September 2019, the Government announced that the 2020/21 NHB allocation would not attract any legacy payments. As part of the Spending Review on 25th November 2020, the Government announced that the 2021/22 NHB allocation would not attract any legacy payments.
25. The NHB for the Council is £2.375m for 2021/22, which is a £1.711m reduction from 2020/21.
26. The net grant loss is significant at £33.626m. 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 | 2,033 |
| 2020/21 | 4,086 | 0 | 4,086 | 6,424 | 2,338 |
| 2021/22 | 2,375 | 0 | 2,375 | 4,887 | 2,512 |
| Total | 33,938 | 1,350 | 35,288 | 68,914 | 33,626 |

ADULT SOCIAL CARE GRANTS

27. The final settlement confirms that the “one-off” grants for 2018/19, 2019/20 and 2020/21 for Social Care Support will continue at the same level of £9.562m in 2021/22. In the Spending Review on 25th November, a new one-off increase in the Social Care Support grant was announced as part of a £0.3bn package for social care. The additional “one-off” grant for 2021/22 for Doncaster is £2.975m.

LOWER TIER SERVICES GRANT

28. The final settlement confirms 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 in 2020-21.

29. The Council’s grant for 2021/22 is £0.441m.

PUBLIC HEALTH

30. 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.

31. The ring-fence on Public Health spending will be maintained in 2021/22 and Government will consult on options to fully fund Local Authorities’ Public Health spending from their retained business rates receipts, as part of the move towards 75% business rate retention. For 2021/22, the Council should see a freeze in the Public Health Grant, however Government have not yet made a final announcement confirming this.

OTHER SPECIFIC GRANTS

32. 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 2020/21 recorded on the ledger as at 25th January, 2021 and the assumptions for 2021/22 - 2023/24: -

| Grant | Issued By | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|-----------------------------------|-----------|---------------|---------------|---------------|---------------|
| Non Ring-fenced | | | | | |
| Extended Rights to Free Transport | DfE | -0.145 | -0.145 | -0.145 | -0.145 |
| Local Reform & Community Voices | DHSC | -0.206 | -0.206 | -0.206 | -0.206 |
| War Pension Disregard | DHSC | -0.140 | -0.140 | -0.140 | -0.140 |
| Local Authority Data Sharing | DWP | -0.010 | -0.010 | -0.010 | -0.010 |

| Grant | Issued By | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|--|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| New Burdens Grant | DWP | -0.303 | -0.303 | -0.303 | -0.303 |
| Universal Credit | DWP | -0.036 | -0.036 | -0.036 | -0.036 |
| Verify Earnings and Pensions | DWP | -0.034 | -0.034 | -0.034 | -0.034 |
| COVID-19 Council Tax Hardship Fund | MHCLG | -2.993 | | | |
| COVID-19 Emergency Active Travel | MHCLG | -0.186 | | | |
| COVID-19 Support Grant | MHCLG | -18.637 | | | |
| COVID-19 Test, Track & Contain Grant | MHCLG | -2.495 | | | |
| Flexible Homelessness Support Grant | MHCLG | -0.308 | | | |
| Homelessness Reduction Grant | MHCLG | -0.230 | | | |
| Troubled Families Grant | MHCLG | -1.608 | | | |
| Ring-fenced | | | | | |
| National Portfolio Organisations (NPO) Grant | Arts Council | -0.100 | -0.100 | -0.100 | -0.100 |
| Adult and Community Learning from Skills Funding Agency | BIES | -0.663 | -0.663 | -0.663 | -0.663 |
| Higher Education Funding Council for England (HEFCE) Payments | BIES | -0.179 | -0.179 | -0.179 | -0.179 |
| Dedicated Schools Grant (DSG) - Central Element (Includes Early Years) | DfE | -31.361 | -31.361 | -31.361 | -31.361 |
| Music Services Grant | DfE | -0.441 | -0.441 | -0.441 | -0.441 |
| Opp Area Social Mob Grant | DfE | -2.000 | | | |
| Personal Adviser duty Implementation Grant | DfE | -0.056 | -0.056 | -0.056 | -0.056 |
| 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 |
| Emergency Assistance Food & Essential Supplies | DEFRA | -0.446 | | | |
| Waste Infrastructure Grant | DEFRA | -2.385 | -2.385 | -2.385 | -2.385 |
| Care Act Grant (Social Care in Prisons) | DHSC | -0.343 | -0.343 | -0.343 | -0.343 |
| COVID-19 Track & Trace Grant | DHSC | -2.234 | | | |
| 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 | -0.423 | | | |
| Discretionary Housing Payments (DHPs) | DWP | -0.904 | -0.904 | -0.904 | -0.904 |
| 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 | -0.044 | -0.044 | -0.044 | -0.044 |
| ERDF & ESIF - Launchpad | EC | -0.105 | -0.105 | -0.105 | -0.105 |
| ERDF & ESIF - Productivity | EC | -0.035 | -0.035 | -0.035 | -0.035 |
| Heritage Lottery Fund | HLF | -0.040 | -0.040 | -0.040 | -0.040 |
| Asylum Seekers (Unaccompanied Asylum Seeking Children) | HO | -0.319 | -0.319 | -0.319 | -0.319 |
| Syrian Resettlement Programme Grant | HO | -0.119 | -0.119 | -0.119 | -0.119 |
| Council Tax Support Admin Subsidy | MHCLG | -0.390 | -0.390 | -0.390 | -0.390 |
| COVID-19 Rough Sleeper Assistance | MHCLG | -0.018 | | | |
| COVID-19 Track & Trace Support Payment | MHCLG | -0.304 | | | |
| MHCLG - Launchpad / Technical Assistance | MHCLG | -0.079 | -0.079 | -0.079 | -0.079 |

| Grant | Issued By | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|--|-----------|----------------|----------------|----------------|----------------|
| The Private Finance Initiative (PFI) (Schools - fixed for the 25 years duration of PFI scheme) | MHCLG | -3.478 | -3.478 | -3.478 | -3.478 |
| Rough Sleeper Initiative | MHCLG | -0.462 | -0.462 | -0.462 | -0.462 |
| Initial Teacher Training (ITT) | NCTL | -0.286 | -0.286 | -0.286 | -0.286 |
| Sport England Grant | SE | -0.170 | -0.170 | -0.170 | -0.170 |
| Student Loans Company | SLC | -0.161 | -0.161 | -0.161 | -0.161 |
| Youth Justice Board | YJB | -0.611 | -0.611 | -0.611 | -0.611 |
| Other Specific Grants | | -78.433 | -46.551 | -46.551 | -46.551 |

33. 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 | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|--|-----------|---------------|----------------|---------------|---------------|
| One-off | | | | | |
| Verify Earnings and Pensions | DWP | -0.018 | | | |
| Brexit Preparation Grant | MHCLG | -0.210 | | | |
| COVID-19 Council Tax Hardship Fund | MHCLG | | -2.993 | | |
| COVID-19 Emergency Active Travel | MHCLG | | -0.186 | | |
| COVID-19 Support Grant | MHCLG | | -18.637 | | |
| COVID-19 Test, Track & Contain Grant | MHCLG | | -2.495 | | |
| Flexible Homelessness Support Grant | MHCLG | | -0.308 | | |
| Opp Area Social Mob Grant | DfE | | -2.000 | | |
| Emergency Assistance Food & Essential Supplies | DEFRA | | -0.446 | | |
| COVID-19 Track & Trace Grant | DHSC | | -2.234 | | |
| ERDF & ESIF - SCR Growth Hub | EC | -0.015 | | | |
| COVID-19 Rough Sleeper Assistance | MHCLG | | -0.018 | | |
| COVID-19 Track & Trace Support Payment | MHCLG | | -0.304 | | |
| Migration Fund | MHCLG | -0.312 | | | |
| Improved Better Care Fund (iBCF) (March 2017 announcement) | MHCLG | -2.136 | | | |
| On-going | | | | | |
| Homelessness Reduction Grant | MHCLG | | -0.230 | | |
| Troubled Families Grant | MHCLG | | -1.608 | | |
| Adult and Community Learning from Skills Funding Agency | BIES | -0.030 | | | |
| Apprenticeship Levy | BIES | -0.048 | | | |
| Additional recurrent Children's Services Trust Costs | DfE | -0.191 | | | |
| School Improvement & Brokerage Grant | DfE | -0.028 | | | |
| Sustainable Transport Access Fund | DfT | | -0.423 | | |
| Independent Living Fund | DWP | -0.022 | | | |
| Total Exit Strategies | | -3.010 | -31.882 | 0.000 | 0.000 |

34. 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 2021/22 block allocations including Academies are as follows: -
 - Schools Block Allocation £221.7m - this is almost entirely delegated to schools, excluding the growth fund, with budget allocations for 2021/22 due to be sent out to schools in February 2021;
 - Central School Services Block £1.6m – now provided as a separate allocation to the schools block to cover services provided centrally to pupils/schools;
 - High Needs Block Allocation £42.1m;
 - Early Years Block Allocation £20.5m.
- 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.

OTHER INCOME

35. 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.
36. 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 2021/22 draft spending plan for the BCF is detailed below, based on 2020/21 funding allocation (with final allocation for 2021/22 still to be confirmed): -

| Better Care Fund 2021/22 | £'000 |
|--|--------------|
| Programme Management & Business Analysts | 185 |
| Hospital based Social Workers | 202 |
| HEART/Telecare | 760 |
| STEPS / Occupational Therapist service/RAPID | 1,790 |
| RAPT | 110 |
| (Positive Steps) Social care Assessment Unit/DTOC | 2,156 |
| Hospital Discharge Worker | 28 |
| Single Access Point for Rotherham Doncaster & South Humber (RDaSH) | 64 |
| Well North/Doncaster Project | 191 |
| Winter Warm | 85 |
| Healthier Doncaster | 341 |
| Integrated Discharge Team | 221 |
| Occupational Therapist - Aligned to STEPS & IDT | 186 |
| Occupational Therapist - Supporting enhanced care home MDT's | 148 |
| Community Wellbeing Officers | 273 |

| Better Care Fund 2021/22 | £'000 |
|---|--------------|
| Community Care Officers | 88 |
| Mental Health Social Work Team | 206 |
| Community Adult Learning Disability Team | 39 |
| Mental Health - Doncaster Mind | 200 |
| Enhancement of Dementia support services (Alzheimer's dementia café's) | 71 |
| Dementia Advisor/Care Navigator (Age UK) | 32 |
| The Admiral service (making space) | 81 |
| Home from Hospital (Age UK) | 72 |
| Community Wellbeing Officers | 186 |
| Carers Support Services & Breaks | 200 |
| 3 Tier Weight Management | 183 |
| Total | 8,098 |

37. The following table sets out the Other Income for 2020/21. This is the 2021/22 baseline starting position: -

| Other Income | 2021/22 £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 | -29.092 |
| NHS Contributions – includes income from Continuing Health Care Contributions and Section 256 and Section 75 Agreements with NHS (Better Care Fund & Pooled Budgets) | -15.694 |
| Trading Services Income – includes fleet transport and public buildings maintenance, Street Scene and Highways operations and Commercial services. | -13.336 |
| 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 | -2.196 |
| Contributions Towards Expenditure – includes service charges and various cost recovery charges including recovery of Court costs by Local Taxation Services | -3.244 |
| Investment Interest | -1.489 |
| Developer Contributions – S106 & S38 agreements | -0.290 |
| Other Contributions – includes external income from alarm monitoring for housing associations and from energy companies in relation to feed in tariffs for solar panels | -0.637 |
| Other Income | -65.978 |

HOUSING BENEFIT

38. The 2021/22 estimated cost of £56.7m is based on an assumed 8,000 caseload for local authority tenants 5,000 in the private sector. The caseloads are similar to 2020/21.

STAFFING

Pay

39. Funding has been set aside in accordance with the latest assumptions on a national pay award of 2.75% for 2021/22 and 2% for subsequent years. The assumptions also include increments being paid every other year; the next increments are due in April 2021 for all staff except DCST staff who continue to receive increments annually.

Pension

40. The actuarial valuation for the period 2020/21 – 2020/23 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.
41. A summary of the pay inflation provided in the MTFS is detailed below: -

| Staffing | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|---|---------------|---------------|---------------|---------------|
| Pay Inflation – based on the assumptions of 2.75% for 2020/21 and 2% for subsequent years | 2.853 | 3.218 | 2.340 | 2.340 |
| Increments | 0.261 | 1.616 | 0.261 | 1.616 |
| Employers Pension Contribution | | | | |
| Future Service Rate Contribution Rate (to 17.0% in 2020/21) | 1.015 | | | |
| Employers Pension deficit saving phased | 0.300 | | | |
| Reduce Pension deficit budget for estimated position with protection | -8.595 | | | |
| Total | -4.166 | 4.834 | 2.601 | 3.956 |

PRICE CHANGES

42. 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.
43. 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 | |
|-----------|-------|------|----------|------|-----------|------|------|------|
| | 2021 | 2020 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| CPI | | | | | 0.5% | 1.7% | | |
| RPI | | | 1.2% | 2.2% | 1.1% | 2.4% | | |
| RPIX | TBC% | 2.7% | | | 1.4% | 2.4% | 1.9% | 2.7% |

44. The cost of price inflation for 2020/21 was £4.6m, including £2.7m for Adult Social Care contracts. The various inflation indicators shown in the table above have reduced since last year. It is assumed that £1.3m will be needed in 2021/22 for Adult Social Care contracts and a further £1.5m needed for other inflation. A summary of the inflation to be provided in 2021/22 is provided below. No inflation is applied for expenditure areas not mentioned below: -

| Category | £m |
|--|--------------|
| Adults Contracts (Various%) | 1.316 |
| Other Inflation | |
| Apprenticeship Levy (2.75%) | 0.012 |
| Audit Costs (10%) | 0.015 |
| Building Repairs & Maintenance (Various%) | 0.017 |
| Business Rates (0.5%) | 0.011 |
| Civic Catering Provisions (3%) | 0.004 |
| Coroners (Various%) | 0.008 |
| CYPS Placements (Various%) | 0.022 |
| Elections (19.5%) | 0.026 |
| Electricity (2%) | 0.022 |
| Electricity (Street Lighting) (2%) | 0.031 |
| Gas (-12%) | -0.042 |
| Highways Contracts (1.1%) | 0.055 |
| ICT Contracts (2.56%) | 0.034 |
| Insurance (Various%) | 0.073 |
| Landfill Tax (2.97%) | 0.010 |
| LIFT contracts (1.1%) | 0.006 |
| Members Allowances (2.75%) | 0.023 |
| Pension / Retirement Costs (0.5%) | 0.026 |
| Racecourse Joint Venture (1.1%) | -0.002 |
| Rents (Various%) | 0.001 |
| Rotherham Contracts (1.1%) | 0.011 |
| SLH Management Fee (2.17%) | 0.027 |
| Transport (Various%) | 0.047 |
| Waste Collection Contracts (1.4%) | 0.075 |
| Waste Disposal Contracts (1.4%) | 0.102 |
| Waste Management Contracts (1.4%) | 0.029 |
| Water (-3.3%) | -0.007 |
| DCST Inflation | 0.243 |
| MRP Inflation | 0.139 |
| Public Health | 0.240 |
| General (cover for unforeseen items / changes) | 0.226 |
| Subtotal Other Inflation | 1.484 |
| Total Price Inflation | 2.800 |

BUDGET PRESSURES

45. The service pressures are estimated at £10.2m for 2021/22, £1.2m in 2022/23 and £0.3m for 2023/24; 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.

Budget Pressures 2021/22

Appendix B

| Proposal | Director | Service / Pressure Proposal | Detail | Total | £10.225m | £1.212m | £0.293m | £11.730m |
|--------------------------|----------|--|---|---------|----------|---------|-------------------------|----------|
| | | | | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total | |
| | | | | £'m | £'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 | | | 0.240 |
| 2020/21 Pressure | CR | Schools Catering | Reversal of the 2020/21 budget pressure due to less trading days. | -0.116 | | | | -0.116 |
| 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. | 0.500 | 2.000 | 2.000 | | 4.500 |
| 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. | -4.181 | -0.327 | | | -4.508 |
| 2020/21 Pressure updated | E&E | Strategic Housing | Costs associated with increased demand including 25 temporary accommodation units. | 0.148 | | | | 0.148 |
| 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. | 3.000 | -1.500 | -1.500 | | 0.000 |
| 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 | 1.300 | 0.000 | -1.300 | | 0.000 |

| Proposal | Director | Service / Pressure Proposal | Detail | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
|------------------|----------|-------------------------------------|--|---------|---------|---------|-------------------------|
| | | | | £'m | £'m | £'m | £'m |
| 2021/22 Pressure | AH&Wb | Social care market pressures | Contingency to support discussions with care providers about evidenced cost pressures (not including Covid) that affect their ability to provide safe, good quality support to people to help them stay as independent and well as possible in their own homes | 1.700 | 0.000 | 0.000 | 1.700 |
| 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 | 0.500 | 1.500 |
| 2021/22 Pressure | DCST | DCST cost pressure b/f into 2021/22 | The Children's Trust have a number of cost pressures that will be brought forward into 2021/22: Increased Out of Authority placements £1.5m, Education element of Out of Authority packages funded by Dedicated Schools Grant (DSG) £0.7m, 16+ Placements £0.4m, Staffing pressures (mainly agency workers covering vacant posts, maternity leave) £0.5m, reduction in external income £0.4m, and the impact of COVID-19 £0.765m which has resulted in increased costs and an increase in the number of children placed in Out of Authority, in-house and independent foster carers, as well as the number of social workers required due to caseloads. | 4.277 | 0.000 | 0.000 | 4.277 |
| 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. | 0.000 | 0.500 | 0.700 | 1.200 |
| 2021/22 Pressure | E&E | Advance (Employment Support) | Advance is currently funded using the Council's Service Transformation Fund until the 31 March 2021. There are no other employment delivery posts within Business Doncaster to enable a coordinated response to employment support should this function cease. The need for this delivery is made even more essential by the impact of COVID-19 on the local economy; unemployment has doubled since February and with 41,000 people in Doncaster currently furloughed the risk of rising unemployment is high. This team leads the Jobs and Skills Recovery Plan and coordinates the Doncaster Advancement service (enterprise jobs and skills single access gateway and Triage service) which is currently under development as our coordinated, cross council, all age employment support service. The costs of the team could also be used as match funding for up to £880k ESF grant for Doncaster as part of the SCR Advance project (over 3 years) which has recently been supported at ESIF committee. | 0.150 | | | 0.150 |

| Proposal | Director | Service / Pressure Proposal | Detail | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
|------------------|----------|---|--|---------|---------|---------|-------------------------|
| | | | | £'m | £'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 | | 0.000 |
| 2021/22 Pressure | E&E | Enforcement | Estimated on-going income loss from enforcement and fines resulting from changing behaviour in relation to public accessing town centres. Initial estimate entered based on 2020/21 month three monitoring position for car parks and enforcement (including Kingdom contract). The position will continue to be reviewed. | 0.284 | | | 0.284 |
| 2021/22 Pressure | E&E | Trade Waste | Estimated on-ongoing income loss resulting from a 29% reduction in the number of businesses using the service. The position will continue to be reviewed. | 0.210 | | | 0.210 |
| 2021/22 Pressure | E&E | Waste | Increase to waste contract due mainly to increased residential collections and need to operate six additional vehicles and crews (two each for Green, Residential and Recycling) at £180k per vehicle/crew per annum reducing to three additional vehicles and crews, plus the associated additional cost of waste disposal due to increase in tonnages experienced so far. Tonnages continue to be monitored. | 0.830 | | | 0.830 |

| Proposal | Director | Service / Pressure Proposal | Detail | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
|------------------|----------|---------------------------------|--|---------|---------|---------|-------------------------|
| | | | | £'m | £'m | £'m | £'m |
| 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. | 0.203 | -0.088 | | 0.115 |
| 2021/22 Pressure | E&E | Interchange Tunnel | Ongoing cost of the interchange tunnel maintenance previously funded from commuted sum. | 0.050 | | | 0.050 |
| 2021/22 Pressure | E&E | Fly Tipping | Additional resources will enable 15 new posts and 6 new vehicles to be used. The additional staff and vehicles will enable an enhanced service to achieve - increase in daily completion rate of cleansing jobs, a high quality finish in cleansing activities, improved customer satisfaction and improved lived experience, more focussed enforcement in hotspot areas. | 0.466 | | | 0.466 |
| 2021/22 Pressure | LO-CYP | SEN Transport - Demand pressure | Pressure of £684k based on modelling of existing routes as at September 2020 including Bader and current expected growth in demand for SEN placements and associated transport requirements. The estimate assumes 10 OOA pupils return to Bader by September 2021 and we can reduce all 10 taxis along with savings on 10 other non-OOA routes. (Note: SEN placements pressure is contained & managed within the Dedicated School Grant. Transport savings identified in 2020/21 budget still anticipated to be achieved). | 0.684 | 0.000 | 0.000 | 0.684 |

2021/22 Budget Savings approved in 2020/21 budget

| Ref | Director | Service | Saving Proposal | Saving Option | Total | -£4.730m | -£1.887m | -£6.617m | 14.0 | 9.6 | 23.6 |
|-----|----------|-------------------------|---|--|---------|----------|-------------------------|----------|---------|-------------------------|------|
| | | | | | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total | |
| | | | | | £'m | £'m | £'m | FTE | FTE | FTE | |
| A1 | 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 | -1.040 | | | | |
| A2 | AH&Wb | Adult Social Care | Residential short breaks | To improve the effectiveness and value for money of residential short breaks for adults with care needs: The Council runs two residential units which provide 18 short-break places in total at any one time. However they are only 68% occupied, and the Council also funds other ways that local people can access this sort of support. Work will be undertaken to determine the causes of under-occupancy in these units. If occupancy cannot be sustainably increased (helping a larger number of family carers to support loved ones for longer) then a reduction in the number of available places in these units should be explored (ensuring the Council can maintain its investment in more popular sources of residential short breaks) | -0.150 | | -0.150 | | | | |
| A3 | AH&Wb | Adult Social Care | Optimising residential and supported living places. | To improve the effectiveness and value for money of residential and supported living provision for adults with complex disabilities The Council runs one residential home and one supported living scheme which support adults with complex disabilities. This is in addition to services run by other providers in Doncaster. There are opportunities to ensure the Council's provision supports those with the highest needs, helping them stay close to friends and family in Doncaster and also enabling them to increase their independence and control. | -0.113 | | -0.113 | | | | |
| A4 | AH&Wb | Strategic Commissioning | Homelessness and Substance Misuse Service | Increase efficiency following re-tender of the Homelessness and Substance misuse service Opportunities have been identified to reduce management costs and increase Housing Benefit income to current services. These changes will not affect the support given to the vulnerable adults and families who use the service. | -0.062 | | -0.062 | | | | |
| CR1 | 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 | -0.113 | -0.051 | -0.164 | 5.0 | | 5.0 | |

| Ref | Director | Service | Saving Proposal | Saving Option | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total |
|------|----------|-------------------------------------|---|---|---------|---------|-------------------------|---------|---------|-------------------------|
| | | | | | £'m | £'m | £'m | FTE | FTE | FTE |
| CR3 | 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 | | 4.0 | 4.0 |
| CR4 | 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 | -0.070 | | 1.0 | 1.0 |
| CR5 | 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 | -0.030 | -0.047 | -0.077 | 1.0 | 1.0 | 2.0 |
| CR6 | CR | Strategy and Performance Unit (SPU) | SPU Structure | Structure Changes; Overall the service will be working differently as a team and this will deliver efficiencies. These efficiencies will be generated through a combination of increasingly focusing on the most important priorities for the organisation, automating the work being completed, this will be achieved through new software / technology will also allow the organisation to become more 'self-serve', and a more streamlined approach to the development and delivery of policy through for example the development of a policy toolkit. The aim is to streamline the amount of policy development work completed | -0.100 | | -0.100 | 4.0 | | 4.0 |
| CR7 | 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 | -0.015 | -0.110 | -0.125 | 2.0 | 2.6 | 4.6 |
| CR8 | 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 | -0.076 | | | |
| CR9 | CR | HR, Comms and Exec Office | Communications Structure | Structure Changes; Resizing and reprioritising the communications and engagement and support team activities | -0.038 | -0.047 | -0.085 | | 1.0 | 1.0 |
| CR10 | CR | Customers, Digital & ICT | Technology Systems Reduced Cost | Reduced Supplier Costs; The Council in partnership with Doncaster Children's Services Trust is implementing a new Integrated People Technology Solution for the delivery of Adult and Children Social Care and Education Management. This will cost less in supplier costs each year compared to the current systems and the budget reduction will be achieved as each system is switched off | -0.053 | | -0.053 | | | |

| Ref | Director | Service | Saving Proposal | Saving Option | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total |
|------|----------|-------------------------------|--------------------------------------|--|---------|---------|-------------------------|---------|---------|-------------------------|
| | | | | | £'m | £'m | £'m | FTE | FTE | FTE |
| CR13 | CR | HR, Comms and Exec Office | HR Shared Service | Further savings negotiated from our payroll provider | -0.020 | -0.020 | -0.040 | | | |
| CW1 | CW | Council-wide | Metropolitan Debt Levy | Natural end to outstanding debt; Metropolitan Debt Levy - South Yorkshire County Council was abolished in 1986 and its four metropolitan boroughs (Doncaster, Barnsley, Rotherham and Sheffield) became unitary authorities. The SYCC debt was allocated out to the four Councils and will be paid in 2020/21 | -2.400 | | -2.400 | | | |
| CW2 | CW | Cross-cutting | General Efficiencies | General efficiencies | -0.236 | -0.152 | -0.388 | | | |
| CW4 | CW | Council-wide | Savings from Capital Scheme Delivery | Income arising from commercial decisions and previously approved capital schemes | -0.324 | -0.189 | -0.513 | | | |
| CW5 | CW | Senior Management | Senior Management Review | Reduction in senior management to reflect revised operating structure of the organisation and working with partners (Directors, Assistant Directors and Heads of Service) | -0.200 | -0.200 | -0.400 | 2.0 | | 2.0 |
| CW6 | 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 | -0.100 | | | |
| CW7 | 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 | | | |
| CT1 | 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. | -0.599 | -0.328 | -0.927 | | | |
| CT16 | DCST | Dedicated Schools Grant (DSG) | DSG | Dedicated Schools Grant (DSG) High Needs Block - savings of £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 Grant (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. | 0.477 | 0.265 | 0.742 | | | |
| CT19 | 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. | 0.003 | 0.004 | 0.007 | | | |

| Ref | Director | Service | Saving Proposal | Saving Option | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2021/22 - 2023/24 Total |
|-----|----------|---------------|------------------------------------|---|---------|---------|-------------------------|---------|---------|-------------------------|
| | | | | | £'m | £'m | £'m | FTE | FTE | FTE |
| EE5 | 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 | | | |
| LO2 | 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. | -0.114 | -0.049 | -0.163 | | | |
| PH2 | 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 | | | |

Budget Proposals 2021/22

Appendix D

| Ref | Director | Service | Saving Proposal | | -£5.297m | -£3.474m | -£0.926m | -£9.698m | 3.0 | | | 3.0 |
|-------|----------|--|-----------------------------|--|----------|----------|----------|-------------------------|---------|---------|---------|-------------------------|
| | | | | | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
| | | | | | £'m | £'m | £'m | £'m | FTE | FTE | FTE | FTE |
| CR1 | CR | Finance / Trading Services | Fleet Management | Ongoing annual revenue savings generated through reducing the size of our fleet, operating newer vehicles and investing in electric vehicles. | -0.400 | | | -0.400 | | | | |
| CR2 | CR | Directorate Wide | Supplies & Services | A review of all non-pay budgets has been undertaken to identify any surplus budgets/efficiencies through improved ways of working e.g. reducing the cost of postage. | -0.162 | | | -0.162 | | | | |
| CR3 | 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. | -0.175 | -0.145 | | -0.320 | 2.0 | | | 2.0 |
| EE1 | EE | Strategic Asset Management | Telecoms masts | Ongoing income from telecom masts being installed on council buildings. | -0.010 | | | -0.010 | | | | |
| EE2 | EE | Planning | Fees & Charges | Increase permitted development enquiries and pre application fees in line with neighbouring authorities from £40 to £70. | -0.015 | | | -0.015 | | | | |
| EE3 | EE | 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. | -0.240 | 0.220 | | -0.020 | | | | |
| EE4 | EE | Regulation and Enforcement | Bus lane camera | Additional income generated from relocating the bus lane camera. | -0.040 | | | -0.040 | | | | |
| EE5 | EE | Regulation and Enforcement | Hatfield Colliery | Review options for site to release security budgets. | -0.050 | -0.100 | | -0.150 | | | | |
| EE6 | EE | Directorate Wide | Staffing - VER | Minor staffing savings across E&E - no impact on service delivery | -0.037 | | | -0.037 | | | | |
| EE7 | EE | Directorate Wide | Non-pay and Income budgets | Rebasing the budget for greater savings being generated from previously approved budget proposals, additional income currently being delivered e.g. street works income, general efficiencies on service budgets and budget no longer required for government schemes that have ceased. There will be no impact on service delivery as a result of this budget change. | -0.479 | | | -0.479 | | | | |
| EE8 | EE | Cross-cutting | New ways of working | Shared accommodation with partners – produce options paper with potential savings | | | | | | | | |
| LO1 | LOSC | Directorate Wide | VER | Staff saving | -0.056 | | | -0.056 | 1.0 | | | 1.0 |
| DCST1 | 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. | 0.599 | 0.328 | | 0.927 | | | | |
| DCST2 | 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. | -0.477 | -0.265 | | -0.742 | | | | |

| Ref | Director | Service | Saving Proposal | | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
|--------|----------|--|-----------------------|--|---------|---------|---------|-------------------------|---------|---------|---------|-------------------------|
| | | | | | £'m | £'m | £'m | £'m | FTE | FTE | FTE | FTE |
| DCST3 | 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. | -1.579 | -1.375 | -0.956 | -3.910 | | | | |
| DCST4 | 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 | | | | |
| DCST5 | 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. | -0.055 | -0.052 | -0.031 | -0.138 | | | | |
| DCST6 | 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 | | | | | | |
| DCST7 | DCST | DCST | Agency social workers | Reduced social worker agency costs via ASYE growth / retention. A separate Social Worker Academy business case has been presented to the Council requesting investment 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. | -0.050 | -0.150 | | -0.200 | | | | |
| DCST8 | 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 | | | | |
| DCST9 | DCST | DCST | Admin savings | Children in Care (CiC) savings should reduce support costs. | | -0.042 | -0.042 | -0.084 | | | | |
| DCST10 | DCST | DCST | Gen efficiencies | General efficiencies / VfM: salary sacrifice; pool car, taxis, mobiles, printing; increased income generation. | -0.025 | -0.050 | | -0.075 | | | | |
| DCST11 | 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. | -0.100 | -0.280 | | -0.380 | | | | |
| DCST12 | DCST | DCST | Corporate | Reduced corporate costs based upon reduced workloads as Covid impact reduces in 2022/23. | | -0.075 | | -0.075 | | | | |
| DCST13 | DCST | DCST | Corporate | Estate savings at 50% over 2 years achieved via co-locating with partners. | -0.085 | -0.341 | | -0.427 | | | | |
| A1 | AH&Wb | Quality and Safeguarding (commissioning) | Day Opportunities | Rebasing the budget for previous decision in relation to the Making Space Day Opportunities Contract. | -0.086 | -0.200 | | -0.286 | | | | |

| Ref | Director | Service | Saving Proposal | | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
|-----|----------|---------------------------------|------------------------------|--|---------|---------|---------|-------------------------|---------|---------|---------|-------------------------|
| | | | | | £'m | £'m | £'m | £'m | FTE | FTE | FTE | FTE |
| A2 | 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. | -0.100 | -0.250 | | -0.350 | | | | |
| A3 | AH&Wb | Adult Social Care & Communities | General Budget Efficiencies | A review of all non-pay budgets has been undertaken to identify any surplus budgets that can be released with no impact on service delivery. | -0.182 | | | -0.182 | | | | |
| CW1 | 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. | -0.250 | -0.333 | -0.334 | -0.917 | | | | |
| CW2 | 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 | | | | | | |
| CW3 | CW | Treasury Management | Early redemption premium | Premiums paid for early redemption of debt no longer required. | -0.029 | -0.052 | | -0.081 | | | | |
| CW4 | CW | Pensions | Pension pre-payment | Pension pre-payment (short-term). Position after 22/23 will become clear in December 2022 following the next valuation of the fund. | -0.300 | | | -0.300 | | | | |
| CW5 | 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 | -0.150 | -0.450 | | | | |
| CW6 | 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 | | | | | |

| Ref | Director | Service | Saving Proposal | | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total | 2021/22 | 2022/23 | 2023/24 | 2021/22 - 2023/24 Total |
|-----|----------|--------------|--------------------|---|---------|---------|---------|-------------------------------|---------|---------|---------|-------------------------------|
| | | | | | £'m | £'m | £'m | £'m | FTE | FTE | FTE | FTE |
| CW7 | 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. Previously approved in the 2020/21 budget is no longer achievable. | | 0.150 | | 0.150 | | | | |

Grants to 3rd Sector Organisations

| Directorate | Grant Recipient | Service Provided/Update | 2019/20 Budget | 2020/21 Budget | 2021/22 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. There is a £22,670 recharge to the HRA for Corporate & Democratic Core services) | 152,150 | 152,150 | 152,150 | No change proposed for 2021/22. |
| LOSC | Partners in Learning (funded from the DSG) | The transfer of services to Partners in Learning for the academic year 2016/17, set out in the 19th July 2016 Cabinet report "Deployment of School Improvement Functions to Partners in Learning Teaching School Alliance 2016/17", enabled the continued delivery of a cohesive and robust delivery of school improvement in line with DfE's requirement for cessation of the LA's duty by September 2017. | 96,162 | 0 | 0 | The Standards and Effectiveness Partner (StEP) function was transferred, along with funding for the 2016/17, 2017-18 and 2018-19 academic years. Grant funding of £283,568 (£187k in 2018/19, £96k in 2019/20) relates to the 2018/19 academic year and is a 1 year continuation, needed to ensure the effective transfer of the function, with the grant amount based on the number of maintained schools as at 1st September 2018. Funding has been provided through School Forum (Dedicated Schools Grant) agreement on 11th April 2018. Payments are made in termly installments with 2 payments for the 18-19 academic year in 2018-19 and 1 payment in 2019-20 financial year. No further requests are expected to go to School Forum. No further payments expected in 20-21 |
| 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 2021/22. 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 | Day Care - Age UK | Day care in the four locality areas Funded from Better Care Fund (BCF). | 125,000 | 125,000 | 125,000 | No change proposed for 2021/22. |
| A,H&WB | Voluntary Action Doncaster | Funding allocated from Better Care Fund (BCF) 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 | This is a one-off grant spanning 2020/21 & 2021/22 |
| A,H&WB | Voluntary Action Doncaster | Funding allocated from Better Care Fund (BCF) to deliver a Co-operative approach to sharing skills, knowledge and volunteer recruitment that provides a level of infrastructure support | | 66,980 | 63,000 | This is a one-off grant spanning 2020/21 & 2021/22 |
| A,H&WB | Woodlands Speaks | Funding allocated from Public Health to deliver Wellbeing Therapies as a community based approach across the borough in response suitable to meet a wide range of conditions and identified wellbeing support needs. | | 5,860 | 14,140 | This is a one-off grant spanning 2020/21 & 2021/22 |
| A,H&WB | The Reader | Funded through Well Doncaster to recruit volunteers to sustain six Shared Reading groups in Doncaster | | 7,000 | 7,000 | This is a one-off grant spanning 2020/21 & 2021/22 |

Grants to 3rd Sector Organisations

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| Directorate | Grant Recipient | Service Provided/Update | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | Note |
|-----------------------------------|----------------------------------|--|----------------|----------------|----------------|--------------------------------------|
| 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 | 30,000 | 60,000 | 60,000 | This grant will continue in 2021/22. |
| A,H&WB | Citizens Advice Doncaster | Funded through COVID Contain the Outbreak Grant to extend the access to the computer pods and add benefits advice to the service offer | | 25,000 | 25,000 | 2020/21 & 2021/22 Only |
| A,H&WB | Social Isolation Alliance | Funded through COVID Contain the Outbreak grant to provide a series for grant pots to local third sector organisations to provide support to residents affected by Covid-19 and foster collaboration across the sector | | 50,000 | 150,000 | 2020/21 & 2021/22 Only |
| Total Grants to 3rd Sector | | | 446,812 | 560,490 | 714,790 | |

Fees & Charges Summary of Exceptions 2021/22

In general charges are not proposed to be increased. The table below details exceptions.

| Service | Narration |
|-----------------------------|--|
| Archives | Diocesan Records- Issue of C of E Baptism Certificates. Increased from £13 to £14 as set by Church of England authorities and the General Register Office (London). The income budget will not be increased as this is only a minor part of the Archives income and the Archives are currently in storage. |
| Day Care Services Transport | Increase in Day Care Transport per journey from £4 to £5 as per the 25th February 2020 Cabinet report – "Changes to the Council's arrangements for Adult Social Care Charges". |
| Planning | Two additional statutory planning fee categories recently introduced by government. Construction of new dwellinghouses - not more than 50 dwellinghouses, £334 for each dwellinghouse and; Construction of new dwellinghouses - More than 50 dwellinghouses, £16,525 + £100 for each dwellinghouse in excess of 50 (maximum fee of £300,000). The income budget will not be increased because there haven't been any of these charges applied since they were introduced in September, and the size of the fee would mean that even a small estimated activity would have a significant impact upon the income budget. |
| Planning | Proposed increase for permitted development enquiries and pre application fees in line with neighbouring authorities from £40 to £70. The additional income generated is shown as a saving in Appendix D. |

New Fees & Charges Summary 2021/22

| New Fees (Detailed Charge) | Proposed Charge from 1st April 2021 (£) |
|--|---|
| Planning | |
| Construction of new dwellinghouses - Not more than 50 dwellinghouses | 334.00 for each dwellinghouse |
| More than 50 dwellinghouses (maximum fee of £300,000) | 16,525.00 + 100.00 for each dwellinghouse |

Licensing Fees 2021/22

| Licensing fees legally required to be set by Full Council (Detailed Charge) | Proposed Charge from 1st April 2021 (£) |
|---|---|
| LICENSING - Landlord Licences: | |
| 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 |
| Registered Charities | 0.00 |
| (£15 discount for additional application within the same scheme, subject to conditions) | |
| Houses in Multiple Occupation | |
| Landlord Licence Basic fees (5 person HMO) | 815.00 |
| Fee for each additional bedroom | 56.00 |
| <i>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.</i> | 755.00 |
| <i>Additional fee for Each Bedroom in the house</i> | 56.00 |
| <i>Extra costs incurred when additional Correspondence is necessitated due to incomplete applications will be recovered as an administration charge (per letter)</i> | 36.00 |
| Extra costs incurred which are prompted i.e after 3 months. Additional £50.00 charge added to the fee. | |
| Property inspection report - immigration & visa | 150.00 |
| LICENSING - Other Licences | |
| Miscellaneous: | |
| Acupuncturist/Tattooist/Ear Piercing | 224.00 |
| Transfer or to Add Person | 60.00 |
| Civil Marriage Licence | 1,385.00 |
| Approval of Religious premises as a place at which two people may register as civil partners of each other. | 942.00 |
| 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) | 514.00 |
| Providing or Arranging for the Provision of Boarding for Cats or Dogs (1-3 year licence depending on star rating) | 453.00 |
| Hiring Out Horses (1-5 Horses) (1-3 year licence depending on star rating) | 538.00 |
| | + Vet Fee |
| Hiring Out Horses (6+ Horses) (1-3 year licence depending on star rating) | 734.00 |
| | + Vet Fee |
| Breeding Dogs (1-3 year licence depending on star rating) | 497.00 |
| | + Vet Insp |
| Keeping or Training Animals for Exhibition | 457.00 |
| Arrangement of Licence for Home Boarder Franchise Owners per hour (minimum of 2 hours) | 45.00 |
| Minor Amendment of Licence per hour (minimum of 1 hour) | 45.00 |
| Major Amendment of Licence per hour (minimum of 2 hours) | 45.00 |
| Request for Re-Rating per hour (minimum of 2 hours) | 45.00 |
| Dangerous Wild Animals (plus Vet Fee if needed) | 163.00 |
| | + Vet Fee |

| Licensing fees legally required to be set by Full Council (Detailed Charge) | Proposed Charge from 1st April 2021 (£) |
|--|--|
| Zoo Licence (plus Statutory VET inspection fees as applicable) | 1,630.00 |
| Greyhound Stadium Licence | 214.00 |
| | |
| Sex Establishment Licence Application | 2,890.00 |
| Sex Establishment Licence Renewal | 2,890.00 |
| Sex Establishment Licence Variation or Transfer | 2,140.00 |
| | |
| Scrap Metal Dealer - Site | 356.00 |
| Scrap Metal Dealer - Collector | 229.00 |
| Scrap Metal Dealer - Change of name of Licensee | 26.00 |
| Scrap Metal Dealer - Change from Site to Collector | 26.00 |
| Scrap Metal Dealer - Change from Collector to Site | 224.00 |
| Scrap Metal Dealer - Change of Site Manager | 224.00 |
| Scrap Metal Dealer - Additional Site(s) to Licence | 87.00 |
| Copy of Licence Fee (Unspecified) | 25.00 |
| | |
| Gambling: | |
| | |
| Bingo Premises | |
| Non-conversion fee where a provisional statement has already been granted | 764.00 |
| New Premises Fee | 1,375.00 |
| Annual Fee | 804.00 |
| Variation Fee | 1,275.00 |
| Transfer Fee | 804.00 |
| Re-Instatement Fee | 804.00 |
| Provisional Statement Fee | 1,375.00 |
| Change of circumstances | 31.00 |
| Copy of Licence Fee | 25.00 |
| | |
| Adult Gaming Premises | |
| Non-conversion fee where a provisional statement has already been granted | 804.00 |
| New Premises Fee | 1,375.00 |
| Annual Fee | 774.00 |
| Variation Fee | 804.00 |
| Transfer Fee | 804.00 |
| Re-Instatement Fee | 804.00 |
| Provisional Statement Fee | 1,375.00 |
| Change of circumstances | 31.00 |
| Copy of Licence Fee | 25.00 |
| | |
| Betting Premises (Track) | |
| Non-conversion fee where a provisional statement has already been granted | 804.00 |
| New Premises Fee | 2,140.00 |
| Annual Fee | 845.00 |
| Variation Fee | 845.00 |
| Transfer Fee | 804.00 |
| Re-Instatement Fee | 804.00 |
| Provisional Statement Fee | 2,140.00 |
| Change of circumstances | 31.00 |
| Copy of Licence Fee | 25.00 |

| Licensing fees legally required to be set by Full Council (Detailed Charge) | Proposed Charge from 1st April 2021 (£) |
|---|---|
| Family Entertainment Premises | |
| Non-conversion fee where a provisional statement has already been granted | 804.00 |
| New Premises Fee | 1,375.00 |
| Annual Fee | 560.00 |
| Variation Fee | 804.00 |
| Transfer Fee | 804.00 |
| Re-Instatement Fee | 804.00 |
| Provisional Statement Fee | 1,375.00 |
| Change of circumstances | 31.00 |
| Copy of Licence Fee | 25.00 |
| Betting Premises (other) | |
| Non-conversion fee where a provisional statement has already been granted | 774.00 |
| New Premises Fee | 1,985.00 |
| Annual Fee | 458.00 |
| Variation Fee | 957.00 |
| Transfer Fee | 804.00 |
| Re-Instatement Fee | 804.00 |
| Provisional Statement Fee | 1,985.00 |
| Change of circumstances | 31.00 |
| Copy of Licence Fee | 25.00 |
| Temporary Use Notice | 100.00 |
| Liquor Licences | |
| Personal Licence (Fees are set by Central Government) | 37.00 |
| Premises Licence (Fees are set by Central Government, Premise licences are charged based on a number of factors, e.g. Rateable Value.) | Variable |
| Lotteries | |
| (Fees are set by Central Government) | Various |
| LICENSING - Private Hire/Hackney: | |
| Vehicle Licensing Hackney (Inc plates & first test) | 250.00 |
| Vehicle Licensing Private Hire (Inc plates & first test) | 250.00 |
| Vehicle Test at North Bridge | 63.00 |
| Retest of Vehicle | 28.50 |
| Admin charge on lifting Suspensions | 26.50 |
| Private Hire Operators Licence | 480.00 |
| Private Hire Operators Licence each additional vehicle over 2 (for licenses issued prior to April 2017) | 24.50 |
| Application for Drivers Licence (+ DBS + Knowledge test) | 148.00 |
| Joint Application (+ DBS + Knowledge test) | 148.00 |
| Renewal of drivers licence | 112.00 |
| Knowledge Test | 63.00 |
| Replacement Badge / Licence | 26.50 |
| Sealing of meter | 48.50 |
| Advertising on Taxis Full Livery | 31.50 |
| Transfer of ownership | 47.50 |
| Surrender of Vehicle Licence / Suspension admin fee | 26.50 |
| Front plate bracket | 6.00 |
| Rear plate bracket | 12.50 |
| Replacement Front plate | 18.50 |
| Replacement Rear plate | 28.50 |

Reserves (Estimated Balance at 31st March 2021)

| | £m |
|--|---------------|
| Restriction (conditions attached to use) | |
| Health & Social Care Transformation Fund | 5.169 |
| School Balances | 2.500 |
| Adult Social Care Contracts | 1.786 |
| Public Health | 1.012 |
| S106 Open Spaces Revenue unapplied contribution | 0.574 |
| Section 38 Income | 0.505 |
| All Out Local Elections - Four Year Cycle | 0.376 |
| Teesland Section 278 | 0.335 |
| Various Section 278 | 0.331 |
| Pathway to Traineeships (SFA) | 0.257 |
| Revenues & Benefits - Discretionary Hardship | 0.114 |
| Sustainable Drainage Approval Body (SAB) | 0.101 |
| Lincoln Gardens Six Streets | 0.084 |
| Rapid Rehousing Pathway (RRP) | 0.073 |
| National Archives Grant | 0.061 |
| S106 Highways Revenue unapplied contribution | 0.056 |
| Central DSG | -8.738 |
| Others (less than £50k) | 0.198 |
| Restriction Total | 4.794 |
| General (no conditions attached to use) | |
| Service Transformation Fund | 9.770 |
| Insurance Fund | 4.114 |
| Transformational projects in Social Care | 3.600 |
| Stronger Families Programme | 1.530 |
| Civic Office Major Repairs and Maintenance Sinking Fund | 1.481 |
| Severance costs | 1.000 |
| Inward Investment Incentive Scheme (Business Rates Incentive Scheme) | 0.984 |
| Social Mobility Opportunity Area | 0.800 |
| Future Place Strategy-CWD | 0.600 |
| Libraries and Culture | 0.464 |
| Well Doncaster match funding | 0.451 |
| Smaller Leisure Facilities | 0.450 |
| Safeguarding Adults Board | 0.291 |
| Flood Resilience | 0.270 |
| Revenue Contribution to the Capital Programme (pre-work/development costs) | 0.215 |
| Flexible Homelessness Grant | 0.202 |
| St James Baths | 0.199 |
| Enterprise Resource Planning (ERP) - Phase 2 | 0.182 |
| Transport budget Sec 19 permits | 0.169 |
| S106 Interest balances | 0.149 |
| Examination In Public (Local Development Framework Sites and Policies) | 0.132 |
| Public Spaces Community Order | 0.120 |
| Planning 20% Additional Income Balance | 0.119 |
| Syrian Resettlement Grant | 0.100 |
| Mayor's Pledge to Miners' Statue | 0.071 |
| MHCLG Migration Fund | 0.070 |
| NPO Grant Arts Council | 0.057 |
| Planning Enforcement Fund | 0.050 |
| Others (less than £50k) | 0.116 |
| General Total | 27.756 |
| COVID-19 Response | 10.100 |
| Grand Total | 42.650 |

Risk Assessment of Uncommitted General Fund Reserve

| Risk | Risks & Quantification | Maximum Potential Call on Reserves 20/21 & 21/22 £m |
|--|--|--|
| Known provisions and contingent liabilities as at January 2021 | An Insurance Fund provision of £4.7m has been made as per the methodology agreed. A provision of £6.8m for NNDR appeals has been made in 20/21 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 2021/22 budget proposals | It is prudent to include a risk regarding the deliverability of the 2021/22 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 2021/22 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 40% of the 2021/22 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 2020 until March, 2021. A separate earmarked reserve exists for this. | 0.0 |
| Capital Programme 2021/22 – 2024/25 | 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 2021/22 to be managed as part of capital monitoring process. |

| Risk | Risks & Quantification | Maximum Potential Call on Reserves 20/21 & 21/22 £m |
|---|--|---|
| Treasury Management | <p>The Council relies on short-term (circa £109m) and under borrowing (circa £76m) 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 £185m of short-term and under-borrowing with long term borrowing, this could cost £1.5m per year at current rates over 5 years and could rise to £2.4m per year over 50 year terms.</p> <p>There is also a risk regarding increasing interest rates. This would cost an additional £1.9m for every 1% increase in interest rates.</p> | 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 | | 16.5 |

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Doncaster Council

Date: 16th February 2021

To the Chair and Members of
Cabinet

CAPITAL STRATEGY AND CAPITAL BUDGET 2021/22 – 2024/25

EXECUTIVE SUMMARY

Capital Strategy

1. The Capital Strategy outlines the principles and decision making process involved when approving new bids and the monitoring of the 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 post-COVID-19 and post-Brexit economic, social and environmental commitments and ambitions.
3. The Capital Strategy is set out in paragraphs 39 to 79; this has been used to produce the Capital Budget Proposals set out in paragraphs 13 to 38.

Capital Programme Budget Proposal

4. Doncaster Council continues to invest in the future of the Borough despite the tough economic climate with an estimated £341.3m of capital investment over 2021/22 to 2024/25 that will continue to stimulate growth and prosperity, with £107.7m of spend estimated for 2021/22. 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 £174.1m investment in the Council's social housing stock over the next four years, covering maintenance, adaptations and the new build programme.
5. Additional schemes are proposed for inclusion in the capital programme totalling £30.2m, with £23.4m in 2021/22. 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.
6. We have also sought to provide £0.5m investment in tree planting and naturalisation to support the Greener, Fairer and More Prosperous Doncaster

agenda, Tackling the Climate and Biodiversity Crisis. The Council is also working to produce a Net Zero Carbon Masterplan, which is expected to be funded from the Investment and Modernisation Fund (IMF).

7. The existing capital programme and new projects for the four years 2021/22 to 2024/25 are detailed in Appendices 1a to 1e and the paragraphs below. There is also further information on some of the schemes that will have wide-ranging benefits for Doncaster.
8. In the following sections, unless stated otherwise, the value for 2021/22 is shown first and then the total for the four-year programme is in brackets (2021/22 to 2024/25).

EXEMPT REPORT

9. This report is not exempt.

RECOMMENDATIONS

10. Cabinet are asked to review the information in the capital budget report and provide updates where required. Council will be asked to approve : -
 - The Capital Strategy at paragraphs 39 to 79;
 - Capital Programme Budget for 2021/22 to 2024/25 at paragraphs 13 to 38;
 - Directors in consultation with the portfolio holder take responsibility for agreeing any significant changes to the Schools Condition Programme and the Local Transport Plan funding and that they are agreed in consultation with the relevant Portfolio Holder.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

11. 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

12. 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

13. The current Capital Programme includes £341.3m of capital investment over 2021/22 to 2024/25, with £107.7m in 2021/22. A summary of the Capital Programme by Directorate is provided below: -

| Directorate | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | Total £m |
|---|----------------|----------------|---------------|---------------|----------------|
| Adults, Health and Well-Being | 7.527 | 4.982 | 4.982 | 4.982 | 22.473 |
| Corporate Resources | 21.127 | 13.792 | 12.850 | 12.500 | 60.269 |
| Learning, Opportunities, Skills and Culture | 8.728 | 9.617 | 4.912 | 0.000 | 23.257 |
| Economy and Environment | 70.345 | 76.473 | 44.674 | 43.791 | 235.283 |
| Total | 107.727 | 104.828 | 67.382 | 61.237 | 341.282 |

14. The schemes put forward to be considered for approval total £30.2m with a £11.9m 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, these bids will have to be funded by borrowing: -

| Directorate | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | Total £m |
|---|---------------|---------------|---------------|---------------|---------------|
| Adults, Health and Well-Being | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Corporate Resources | 0.454 | 0.000 | 0.000 | 0.000 | 0.454 |
| Economy and Environment | 6.052 | 1.359 | 0.559 | 0.559 | 8.529 |
| Learning, Opportunities, Skills and Culture | 2.889 | 0.000 | 0.000 | 0.000 | 2.889 |
| Total | 9.395 | 1.359 | 0.559 | 0.559 | 11.872 |

15. It is estimated that borrowing for the £11.9m in the table above would incur borrowing costs of £0.741m per annum, which can be met from existing limited budgets, which is balanced against the pressures on the revenue budget position.

Economy and Environment

16. 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 £70.3m in 2021/22 (£235.3m), a further analysis is provided in Appendix 1e.

17. The key projects within this programme include Transforming Cities, the street lighting improvement programme and all public and private sector housing.

18. Bids totalling £8.5m (£6.1m) were received during budget setting for this Directorate that would need to be funded with council resources.

Development

- a. **Transport IT programmes** - £1.3m in 2021/22 (Local Transport Plan) for a range of schemes relating to Safer Roads, Network Management, Cycling and Sustainable Choices (Dropped crossings, Footways, Bus Partnership, Minor Works Package, etc.).

- b. **Strategic Acquisitions Fund** – £3.1m 2021/22 (funded with Council resources). To be used for the strategic acquisition of assets required for regeneration purposes. Available for identified strategic prioritisation and subject to general capital resource planning.
- c. **Transforming Cities Fund (TCF)** – £8.3m 2021/22 (£25.1m) (£1.2m of Council resources, £23.9m external grant) - the TCF aims to drive up productivity through improved connections between urban centres and suburbs with investment and improvements in local transport infrastructure and public transport.

Housing & Sustainability

- a. **Council House Building Programme (Committed)** – £7.1m in 2021/22. Delivery of the developments approved by Cabinet on 3rd December, 2019, as part of the Affordable Homes Programme.
- b. **Council House Building Programme (New Major Investment)** – Further funding totalling £70.2m 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 5 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 £21.4m in 2020/21, will be spent on maintaining and improving the existing Council housing stock to the Doncaster decency standard. The main focus will be on energy efficiency improvements, heating conversions/upgrades, refurbishment of void properties and roof, facia and soffit replacements. The programmed works will include the following: -
 - **Fire Safety Improvements** – Funding totalling £2.3m in 2021/22 (£4.9m across the four year programme). Fire risk assessments have now been carried out on the majority of properties. Work is ongoing to deliver the actions from the fire risk assessments.
 - **Electrical Works** – Electrical works totalling £0.8m in 2021/22 (£3.1m across the four year programme) will be invested into exchanging consumer units and introducing surge and arc protection equipment to existing stock where required, in order to comply with electrical regulations.
 - **Energy Efficiency Works** - Funding totalling £3.1m in 2021/22 (£18.5m) 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 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.
- d. **Net Zero Carbon** – £2.6m. Following the Council’s declaration of a Climate & Biodiversity Emergency in 2019, and the subsequent actions undertaken through the establishment of a Doncaster Climate & Biodiversity Commission, production of a new Environment & Sustainability Strategy and Net Zero Carbon Masterplan; the Council proposes to commence a programme of activities to decarbonise its buildings, operations and energy supply.

Environment

a. **Highway Maintenance Programmes – £4.9m 2021/22 (Local Transport Plan)**

- 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-surfacings and footway slurry surfacings 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.

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 – £1.0m 2021/22 (£4m) (funded with Council resources) – for the continuation of the scheme for the replacement of existing street lighting columns, re-using the existing light emitting diode (LED) light fittings.**
- c. **Tree Planting/Wildflower Naturalisation – £0.5m (£0.5m) Supports the environmental strategy with the planting of trees along the main arterial highways to improve the environment and help increase tree canopy coverage in the borough and the re-naturalisation of some grassed areas with wildflowers.**

Adults, Health and Well Being

19. The total investment managed by this Directorate is estimated to be £7.5m in 2021/22 (£22.5m). The largest areas are Housing Adaptations £5.5m (£20.4m) and Leisure Centre improvements £2.0m. A further analysis is shown in Appendix 1b.

20. The key projects within this programme include adaptations for the disabled and the improvement and maintenance of the Doncaster Leisure Trust assets.

- a. **Disabled Facilities Grant (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 SLH properties). There are also 1,300 private minor adaptations estimated to be completed each year. The estimated funding package is £20.4m.**
- b. **Doncaster Culture and Leisure Trust – £2.0m (£2.0m). Leisure facilities Capital programme is taking a phased approach to investment over the next 4**

years, this enables a strategic approach to allocating funds and resources to resolve the backlog of works ensuring long-term viability of the facilities. As works progress, all sites across the portfolio such as Edlington and Rossington leisure centres will see monies invested into the buildings. The additional investment detailed in Appendix 2 provides for the works to take place in 2021/22 at Adwick, Dearne Valley, Thorne, Crookhill Park golf course, Hatfield Outdoor activity centre and The Dome. In addition, works delayed at Askern due the impact of covid will be carried into 2021/22. Works are to improve building fabric and lighting, mechanical and electrical elements. This will allow Doncaster residents to maintain access to high quality swimming, indoor sports and gymnasium facilities.

Corporate Resources

21. Corporate Resources are estimated to manage (£60.3m) of funds over the four year programme, with £21.1m in 2021/22. The major area of spend managed is investment in information and communications technology (ICT) £3.0m (£3.9m). 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 1c.
22. The key projects within this programme include fleet replacement, essential technology infrastructure and council wide systems.
23. Bids totalling £0.5m (£0.5m) were received during budget setting for this Directorate that would need to be funded with council resources.
 - a. **ICT Schemes – £3.0m (£3.9m).** 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 as technology continually evolves and to ensure all information is kept safe and secure.
 - b. **Investment and Modernisation Fund (IMF) – £12.5m (£50.0m)** IMF available to fund projects which deliver more efficient services and enable further revenue savings.

Learning, Opportunities, Skills and Culture

24. The total investment via this Directorate is estimated to be (£23.3m) over the four year programme, with £8.7m in 2021/22. Analysis is shown in Appendix 1d.
25. The key projects within this programme include the schools condition programme, children's trust future placement strategy and home to school transport.
26. 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 fourteen schools are estimated to have a range of improvements works completed in 2021/22, 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;
 - Five schools will have a range of heating, boiler and pipework improvements at an estimated cost of £0.3m;
 - Three 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 reports.

- b. **School Places** – Investment in Armthorpe Academy following redevelopment of the site is subject to agreement of the Secretary of State to release land (valued at £0.8m) back to the Council for housing purposes. A full business case needs to be produced and reviewed before this scheme progresses further.

Social, Emotional, Mental Health (SEMH) Provision and Alternative Provision allocation remaining balanced has been identified for various projects following the inclusion transformation plan.

Investment in the Adwick, Don Valley and Ridgewood Secondary Planning Area to facilitate an increase in Pupil Admission Number (PAN) for secondary provision. This will enable places for additional pupils to be admitted locally.

Investment in the Hayfield and Rossington Secondary Planning Area to facilitate an increase in PAN for secondary provision. This will enable places for additional pupils to be admitted locally.

Investment in the Danum, Hall Cross, McAuley, XP and UTC Secondary Planning Area to facilitate an increase in PAN for secondary and primary places, particularly focused on Hall Cross Academy and Hatchell Wood Primary. This will enable places for additional pupils to be admitted locally.

There will also be some minor projects in primary provision across the borough focused on the Danum, Hayfield, Edlington and Thorne Pyramids.

All the school expansions are funded with Department for Education (DfE) Pupil Places grant and agreed Section 106 allocations where appropriate. The SEMH Provision projects will be funded by a combination of Special Educational Needs and Disability (SEND) and Pupil Places grant.

- c. **Doncaster Children's Services Trust** – Doncaster Children's Service Trust has funding of £2.2m. The schemes will support the future placements strategy and the refurbishment of the Beechfield family centre.
- d. **Archives** – £1.5m (£1.5m). Various options are currently being appraised for a suitable site or refurbishment of assets in Doncaster that could be used to locate the archives and where possible mitigate the use of unnecessary offsite provision. £1.5m is a planning total and will not be approved until a full and robust business case has been completed.

Pipeline

- 27. As part of the budget setting process CAMP board requested to be made aware of capital schemes at only a conceptual stage or in need of further development in order to create a capital pipeline.
- 28. Schemes in the pipeline will be aligned to key strategies, such as the Environment and Sustainability Strategy, and be further developed with the aim of translating policy intent into capital schemes.

29. 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.
30. 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 Sheffield City Region (SCR) 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)

31. 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

32. To deliver the priorities, the Council needs to generate income by selling assets to generate capital receipts. Over the next four years, the Council has estimated £28.7m 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 £9.0m in 2020/21 caused by delayed delivery in the current and previous years (this shortfall could increase further if the current estimated sales for 2020/21 are not achieved). There is also a predicted shortfall of £6.3m in 2021/22 therefore there are no receipts available to fund the new capital schemes.
33. Funding of the capital programme in recent years has relied 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.
34. The value in the current capital programme to be financed with capital receipts totals £18.5m.
35. The tables below show the existing capital receipts and commitments for 2021/22 to 2024/25: -

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Current Capital Programme Requirement | 8.503 | 0.701 | 0.400 | 0.000 |
| Estimated Capital Receipts: | | | | |
| - Carried forward | (8.992) | (6.293) | 3.883 | 10.150 |
| - In-year capital receipts | 11.202 | 10.877 | 6.667 | 0.00 |
| Total Est. Capital Receipts | 2.210 | 4.584 | 10.550 | 10.150 |
| Cumulative Balance (to c/f) | (6.293) | 3.883 | 10.150 | 10.150 |

36. 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

37. 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.

38. 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

39. The Capital Strategy outlines the principles and decision making process involved when approving the Council's capital programme explaining how the Council prioritises, finances and manages capital schemes.

40. Spending is included within the capital programme where the Council expects it to result in future economic (asset value) or service (asset performance or life) benefits. This covers both purchase of new long-term assets and improvements to existing ones and is consistent with the approach required in the CIPFA Code of Practice in Local Authority Accounting. Some of the Council's spending allocations are to either purchase or improve an asset belonging to another organisation or individual, such as housing adaptations for the disabled, in these circumstances, we include the expenditure in the capital programme for budget setting and monitoring processes but follow the Code of Practice's requirements for accounting treatment to ensure it does not increase the net worth shown on the Balance Sheet.

41. 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: -

- Maximises the use of assets over their useful life ensuring they are kept in appropriate operational condition for continual delivery of services;
- 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
- 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.

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

The Council's Corporate Objectives and Priorities

43. We are committed to ensuring that what we are proposing in the budget meets our policy intent but also meets how we want to deliver services in the future. The Corporate Plan 2021/22 reflects the transition to a new Borough Strategy which will replace the Doncaster Growing Together Plan. It is framed around the same six emerging well-being goals:

| Goal | Vision |
|----------------------------------|---|
| Prosperous & Connected Doncaster | A stronger, greener and fairer economy that provides good, well paid jobs and is supported by improved transport, active travel and digital infrastructure. |
| Safe & Resilient Doncaster | Residents feel safe and communities are more resilient to challenges and emergencies. |

| | |
|-----------------------------------|---|
| Healthy & Compassionate Doncaster | A Compassionate Doncaster that improves the conditions and opportunities for better health and how we care for our most vulnerable residents. |
| Skilled & Creative Doncaster | Residents have improved skills and a creative culture supports well-being, business success and solutions to the borough's challenges. |
| Greener & Cleaner Doncaster | A borough that takes every opportunity to protect and improve the local and global environment to improve well-being. |
| Fair & Inclusive Doncaster | A borough with reduced inequalities and improved access for all to social and economic opportunities. |

44. The well-being goals mark a significant turning point in Doncaster's commitment to improve life now and for future generations as they are guided by the fundamental need to balance the wellbeing of people with the well-being of the planet. This is reflected in one central mission: Thriving People, Places and Planet.
45. This budget supports the transition to these new well-being goals and the approach that will be taken to deliver them: -
- a. New ways of doing things - to improve the future;
 - b. Regenerative Development;
 - c. Working closer with communities;
 - d. Shared Responsibilities - locally and regionally;
 - e. Intelligence led Interventions;
 - f. Whole Life, Whole System integration.
46. For example, 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. This includes schemes for individual buildings which will be developed and approved as surveys are completed.
47. This budget is also an integral part of the 'Connected Council' section in the Corporate Plan which sets out how the Council will continue to develop the capabilities, resources, technology and knowledge needed to deliver quality services and work with communities and partners to improve well-being. This includes a number of things that the Council needs to do well:
- a. Respond to our customers quickly, focusing on a quality customer experience.
 - b. Process Housing and Council Tax queries quickly and appropriately.
 - c. Ensure more people can access Council services digitally.
 - d. Collect Council Tax and Business Rates effectively.
 - e. Be an open and inclusive employer that champions diversity
 - f. Wherever possible spend our money locally.
 - g. Support employees to improve performance, engagement and attendance.
 - h. Provide expert advice for all aspects of council business.
48. 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.
- c. **Housing Strategy** – Due to be considered by Cabinet on 12th January, 2021. The aims of the revised 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.

- e. **Environment and Sustainability Strategy 2020 – 2030** – This strategy sets out how the 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 businesses, organisations (including the Climate and Biodiversity Commission), residents and elected members. Priorities in the Strategy are

Natural Environment, Built Environment, Economy and Sustainable Consumption and Behaviour Change.

In order for the Council to decarbonise its heat supply, buildings need to move to a low carbon technology which can be supplied by renewable energy. It is therefore proposed for the Council to move away from gas for any new or replacement heating systems in its buildings, and only consider gas as a 'last resort'

Maintenance and review of current Assets

49. 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.

50. The following programmes of maintenance, replacement and acquisition are used for the review of current assets and future requirement: -

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

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

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

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

- c. **Responsive Asset Management Plan (RAMP)** – development of Directorate specific plans to inform decision making and bring asset use further up the agenda. 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** – factors such as condition, age, mileage and current utilisation levels are all taken into consideration when deciding if vehicles which

currently form part of the Council's fleet should be disposed of, maintained or replaced.

- f. **Retained Buildings Improvement** – Investment to address condition related projects to ensure buildings remain fit for purpose, in operation and safe.
- g. **Housing** – improvements and maintenance of the existing Council housing stock to Doncaster decency standard. The main focus will be on energy efficiency improvements, heating conversions/upgrades, refurbishment of void properties and roof, fascia and soffit replacements and responding to new responsibilities on Building and Fire Safety.

Future investment in the Councils housing stock will be in line with the Governments focus on the following areas:-

- Following the tragic Grenfell fire, there has been a significant review of building safety and particularly fire safety in high rise blocks. A number of documents have been issued the most recent of which is the draft Building Safety Bill, which is expected to become an Act during 2021. It is essential that we meet all the requirements of this Act, the Fire Safety Bill and the Social Housing White paper and the ones that require capital investment will need to be funded from the housing capital programme.
- The Climate Change Act 2008 committed the United Kingdom (UK) to an 80% reduction in carbon emissions relative to the levels in 1990, to be achieved by 2050. In June 2019, secondary legislation was passed that extended that target to “at least 100%”. We are currently investigating the scope of investment that will be required to meet this legislation for the Council's housing stock. A report has been commissioned which will give details of the investment required in the stock in terms of type, order of the work and the estimated cost. It is likely that the report will also identify that some of the housing stock will be unable to meet the required standards irrespective of the amount of investment. The report is not available to inform this year's capital programme but will drive the long term investment strategy for the housing stock in the future.
- The current decent homes standard was introduced by the Government in 2000 and Doncaster approved the Doncaster decency standard in 2005. As this standard is currently over 20 years old, it is being reviewed and it is likely that a revised standard will be published, decent homes 2.0. When this standard is reviewed the long term investment programme will need to reflect the revised standard.

Investment in these three areas was not built into the self-financing settlement for the Housing Revenue Account (HRA), which was implemented by the Government in 2012, and therefore the anticipated value of investment required is greater than the funding currently provided for within the HRA.

Non-Financial Investments

- 51. The Council holds some assets to primarily or partially generate rental income and appreciation in value.
- 52. 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.
- 53. 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.

54. An investment portfolio review will be used to monitor the performance and value of the existing investment properties held by the Council.

Funding Sources

55. The capital programme budget is financed using the most appropriate funding sources to maximise the overall financial position for the Council. Throughout the year this is continuously monitored and the Section 151 officer will update capital financing accordingly to ensure the most advantageous financial position is achieved. The strategy seeks to maximise external funding as a priority, followed by internal capital funding sources i.e. capital receipts, with the least preferred option being borrowing. This protects the limited corporate resources available and maximises the revenue budget position.

56. 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 MRP and interest charges involved. The capital schemes to be borrowed against are reviewed and the use of resources will be changed to ensure the MRP charges to be incurred maximise the revenue budget.

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 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) which must be substantiated with the development of a full business case.

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

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

58. The Capital and Major Projects (CAMP) Board provides 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 Restart, Renewal and Recovery 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.

59. 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.

60. 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.
61. 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 Sheffield City Region (SCR) by creating a project/policy driven pipeline rather than one which reacts to funding as it is released.
62. 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 theme leads.
63. 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.
64. 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.
65. 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.
66. The CAMP Board rank bids by priorities met, health and safety issues resolved, if they are business critical and necessity for service continuation, financial implications. Each bid is also categorised into themes to aid better comparison and prioritisation.
67. 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.
68. 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

69. Capital projects are formally monitored as part of the quarterly Finance and Performance Improvement report by Directors and Cabinet, with updates and amendments being made on a project by project basis in-between quarterly reports, with higher value and profile projects often reviewed monthly. Budgets for projects funded by capital receipts, borrowing and ear-marked reserves are project specific and cannot be moved by Directors.

70. Project officers work with Financial Management to provide information which is collated and analysed. Exceptions (problems with delivery or spend for example) are then included in the quarterly report for information and action. The information is considered by the relevant Directorate Management Team, Directors, Executive Board and Cabinet.
71. 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.
72. The council's ledger system 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.
73. As well as the financial aims the project outcomes should also be reviewed, e.g. construction of facilities to encourage the uptake of sport and physical activity within a community has had the desired effect.

Flexible use of Capital Receipts

74. Guidance was issued by the Secretary of State under section 15 (1)(a) of the Local Government Act 2003, effective from 1st April 2016 in respect of the Flexible Use of Capital Receipts.
75. This allows the Council to fund expenditure with capital receipts that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery in such a way that reduces costs or demand for services in future years.
76. The option to use capital receipts for revenue transformation purposes is currently available up to 2021/22.
77. The Council does not intend to use capital receipts this way from 2020/21 onwards.

Skills and Knowledge

78. 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.
79. 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

80. Option 1 – Do not support the Capital Strategy and proposal for the 2021/22 to 2024/25 Capital budget.

81. Option 2 – Executive Board supports the Capital Strategy and proposal for the 2021/22 to 2024/25 Capital budget.

REASONS FOR RECOMMENDED OPTION

82. 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

83. These are detailed in the table below: -

| | Outcomes | Implications |
|--|---|---|
| | <p>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;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment | <p>Council budget therefore impacts on all outcomes</p> |
| | <p>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;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • 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 | |

| | Outcomes | Implications |
|--|--|---------------------|
| | <p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Connected Council:</p> <ul style="list-style-type: none"> • 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

84. 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.
- d. Exiting the European Union – risks that may materialise due to exiting the European Union e.g. increases in costs, delays in receiving required building materials, reduction in skilled labour and uncertainty levels built into tenders.

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 05/01/21]

85. 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.

86. 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: [1.2021]

87. 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.
88. 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 2020/21 to 2023/24.

HUMAN RESOURCES IMPLICATIONS [Officer Initials: RH Date: 08/1/21]

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

TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 8/1/21]

90. 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: 06/01/2021]

91. 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: [12/01/2021]

92. 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: -

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

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

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

94. 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: -

- Establishing the key equality issues across Doncaster (Equality Analysis) – Our Equality, Diversity and Inclusion Framework 2018-2021 has been developed alongside our financial planning process and includes a significant analysis of equality information to identify the key equality issues across Doncaster. We have used the equality information to inform our planning and saving prioritisation process. Our budget proposals seek to limit the impact of budget cuts on the most vulnerable; and
- Prioritisation and Planning – Our key strategic budget themes specifically prioritise the needs of the most disadvantaged in our communities.

95. Each new project may have an equality impact and therefore require a due regard assessment prior to implementation. Some of these proposals may require further specific consultation exercises and review in light of the PSED and be subject to further decisions taken by Cabinet or other authorised decision maker prior to implementation.

CONSULTATION

96. The specific proposals have been considered and reviewed by CAMP Board throughout the process and have been presented to both Directors and Executive Board.

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

BACKGROUND PAPERS

- Cabinet Report – Finance and Performance Improvement Report: 2020-21 Quarter 1
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3476>
- Cabinet Report – Finance and Performance Improvement Report: 2020-21 Quarter 2
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3482>

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

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

CAMP - The Capital and Major Projects Board

IMF – Investment and Modernisation Fund

LED – Light Emitting Diode

DFG – Disabled Facilities Grant

ICT – Information and Communications Technology

SEMH - Social, Emotional, Mental Health

PAN – Pupil Admission Number

DfE – Department for Education

SEND - Special educational needs and disability

SCR – Sheffield City Region

MTFS - Medium-term Financial Strategy

RAMP – Responsive Asset Management Plan

HRA – Housing Revenue Account

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CAPITAL PROGRAMME 2021/22 TO 2024/25 - DIRECTORATE SUMMARY

| DIRECTORATE & SERVICE AREAS | 2021/22 | 2022/23 | 2023/24 | 2024/25 | FOUR YEAR |
|--|----------------|----------------|---------------|---------------|----------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| | | | | | £'000s |
| ADULTS, HEALTH & WELL-BEING | | | | | |
| ADULT SOCIAL CARE | 5,482 | 4,982 | 4,982 | 4,982 | 20,428 |
| PUBLIC HEALTH | 2,045 | 0 | 0 | 0 | 2,045 |
| ADULTS, HEALTH & WELL-BEING TOTAL | 7,527 | 4,982 | 4,982 | 4,982 | 22,473 |
| CORPORATE RESOURCES | | | | | |
| CUSTOMERS, DIGITAL & ICT | 3,013 | 887 | 0 | 0 | 3,900 |
| FINANCE | 12,500 | 12,500 | 12,500 | 12,500 | 50,000 |
| TRADING SERVICES | 5,614 | 405 | 350 | 0 | 6,369 |
| CORPORATE RESOURCES TOTAL | 21,127 | 13,792 | 12,850 | 12,500 | 60,269 |
| LEARNING, OPPORTUNITIES, SKILLS AND CULTURE | | | | | |
| CENTRALLY MANAGED | 200 | 200 | 50 | 0 | 450 |
| COMMISSIONING & BUSINESS DEVELOPMENT | 6,194 | 9,417 | 4,862 | 0 | 20,473 |
| PARTNERSHIPS & OPERATIONAL DELIVERY | 570 | 0 | 0 | 0 | 570 |
| CHILDREN'S TRUST | 1,764 | 0 | 0 | 0 | 1,764 |
| LEARNING, OPPORTUNITIES, SKILLS AND CULTURE TOTAL | 8,728 | 9,617 | 4,912 | 0 | 23,257 |
| ECONOMY & ENVIRONMENT | | | | | |
| ECONOMY & DEVELOPMENT | 20,140 | 16,779 | 1,107 | 910 | 38,936 |
| ENVIRONMENT | 18,286 | 1,886 | 1,086 | 1,036 | 22,294 |
| PUBLIC & PRIVATE SECTOR HOUSING | 31,919 | 57,808 | 42,481 | 41,845 | 174,053 |
| ECONOMY & ENVIRONMENT TOTAL | 70,345 | 76,473 | 44,674 | 43,791 | 235,283 |
| TOTAL DMBC CAPITAL PROGRAMME WITH NEW PROPOSALS | 107,727 | 104,864 | 67,418 | 61,273 | 341,282 |
| CAPITAL FUNDING | | | | | |
| CAPITAL RECEIPTS - GF | 8,503 | 701 | 400 | 0 | 9,604 |
| EARMARKED RESERVES | 380 | 0 | 0 | 0 | 380 |
| GRANTS & CONTRIBUTIONS | 33,428 | 28,856 | 9,005 | 3,773 | 75,062 |
| BORROWING | 33,707 | 38,386 | 28,936 | 29,060 | 130,089 |
| REVENUE CONTRIBUTION - GENERAL FUND | 1,737 | 1,085 | 396 | 395 | 3,613 |
| REVENUE CONTRIBUTION - HRA | 9,349 | 6,859 | 7,477 | 7,673 | 31,358 |
| USABLE CAPITAL RECEIPTS (HOUSING) | 2,880 | 2,981 | 3,920 | 3,140 | 12,921 |
| MAJOR REPAIRS RESERVE (HOUSING) | 17,743 | 25,996 | 17,284 | 17,232 | 78,255 |
| TOTAL CAPITAL FUNDING | 107,727 | 104,864 | 67,418 | 61,273 | 341,282 |

ADULTS, HEALTH & WELL-BEING CAPITAL PROGRAMME 2021/22 TO 2024/25

| CAPITAL INVESTMENT | 2021/22 PROJECTION | 2022/23 PROJECTION | 2023/24 PROJECTION | 2024/25 PROJECTION | FOUR YEAR PROGRAMME TOTAL |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| ADULTS SOCIAL CARE | 5,482 | 4,982 | 4,982 | 4,982 | 20,428 |
| ADAPTATIONS FOR THE DISABLED | 2,200 | 2,200 | 2,200 | 2,200 | 8,800 |
| DISABLED FACILITIES GRANTS | 3,282 | 2,782 | 2,782 | 2,782 | 11,628 |
| PUBLIC HEALTH | 2,045 | 0 | 0 | 0 | 2,045 |
| DONCASTER LEISURE TRUST | 2,045 | 0 | 0 | 0 | 2,045 |
| ADULTS, HEALTH & WELL-BEING CAPITAL PROGRAMME | 7,527 | 4,982 | 4,982 | 4,982 | 22,473 |

| ADULTS, HEALTH & WELL-BEING CAPITAL SOURCES OF FUNDING | 2021/22 PROJECTION | 2022/23 PROJECTION | 2023/24 PROJECTION | 2024/25 PROJECTION | FOUR YEAR PROGRAMME TOTAL |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| GRANTS & CONTRIBUTIONS | 3,282 | 2,782 | 2,782 | 2,782 | 11,628 |
| BORROWING | 2,045 | 0 | 0 | 0 | 2,045 |
| 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 | 7,527 | 4,982 | 4,982 | 4,982 | 22,473 |

CORPORATE RESOURCES CAPITAL PROGRAMME 2021/22 TO 2024/25

| CAPITAL INVESTMENT | 2021/22 | 2022/23 | 2023/24 | 2024/25 | FOUR YEAR |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| CUSTOMERS, DIGITAL & ICT | 3,013 | 887 | 0 | 0 | 3,900 |
| ICT DESKTOP & MOBILE UPGRADE | 650 | 0 | 0 | 0 | 650 |
| NETWORKING (WAN) | 50 | 0 | 0 | 0 | 50 |
| PHYSICAL SERVERS | 301 | 0 | 0 | 0 | 301 |
| ICT CORPORATE STORAGE (SAN) | 66 | 0 | 0 | 0 | 66 |
| VMWARE VIRTUAL SERVERS | 37 | 0 | 0 | 0 | 37 |
| DONCASTER INTEGRATED PEOPLE SOLUTIONS DIPS | 150 | 0 | 0 | 0 | 150 |
| COUNCIL WIDE SYSTEMS | 98 | 0 | 0 | 0 | 98 |
| ESSENTIAL TECHNOLOGY INFRASTRUCTURE | 817 | 887 | 0 | 0 | 1,704 |
| SUPERFAST BROADBAND | 390 | 0 | 0 | 0 | 390 |
| CUSTOMER RELATIONSHIP MANAGEMENT | 204 | 0 | 0 | 0 | 204 |
| HARDWARE AND SOFTWARE ASSET MANAGEMENT | 90 | 0 | 0 | 0 | 90 |
| TREE MANAGEMENT | 120 | 0 | 0 | 0 | 120 |
| PLAY INSPECTION AND ASSET MANAGEMENT | 30 | 0 | 0 | 0 | 30 |
| CAREERS INFORMATION, ADVICE AND GUIDANCE | 10 | 0 | 0 | 0 | 10 |
| FINANCE | 12,500 | 12,500 | 12,500 | 12,500 | 50,000 |
| INVESTMENT & MODERNISATION FUND | 12,500 | 12,500 | 12,500 | 12,500 | 50,000 |
| TRADING SERVICES | 5,614 | 405 | 350 | 0 | 6,369 |
| MARKETS SCHEDULED MAINTENANCE | 550 | 350 | 350 | 0 | 1,250 |
| CLEANING EQUIPMENT PROGRAMME | 0 | 55 | 0 | 0 | 55 |
| 2 YEAR FLEET/PLANT REPLACEMENT | 4,319 | 0 | 0 | 0 | 4,319 |
| CORN EXCHANGE MEZZANINE DEVELOP | 50 | 0 | 0 | 0 | 50 |
| MARKET VAULTS | 200 | 0 | 0 | 0 | 200 |
| MEXBOROUGH FOOD HALL | 30 | 0 | 0 | 0 | 30 |
| PURCHASE OF GULLEY EMPTIERS | 300 | 0 | 0 | 0 | 300 |
| SIGNAGE AND ENTRANCEWAYS | 50 | 0 | 0 | 0 | 50 |
| SUNNY BAR TO STORAGE | 15 | 0 | 0 | 0 | 15 |
| WOOL MKT REMODELLING/REPURPOSE | 100 | 0 | 0 | 0 | 100 |
| CORPORATE RESOURCES CAPITAL PROGRAMME | 21,127 | 13,792 | 12,850 | 12,500 | 60,269 |

| CORPORATE RESOURCES CAPITAL SOURCES OF FUNDING | 2021/22 | 2022/23 | 2023/24 | 2024/25 | FOUR YEAR |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| CAPITAL RECEIPTS - GF | 1,901 | 405 | 350 | 0 | 2,656 |
| BORROWING | 19,226 | 13,387 | 12,500 | 12,500 | 57,613 |
| TOTAL CORPORATE RESOURCES CAPITAL PROGRAMME FUNDING | 21,127 | 13,792 | 12,850 | 12,500 | 60,269 |

LEARNING, OPPORTUNITIES, SKILLS AND CULTURE'S CAPITAL PROGRAMME 2021/22 TO 2024/25

| CAPITAL INVESTMENT | 2021/22 | 2022/23 | 2023/24 | 2024/25 | FOUR YEAR |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| CENTRALLY MANAGED | 200 | 200 | 50 | 0 | 450 |
| LO-CYP SERVICE IMPROVEMENTS & LIABILITY | 200 | 200 | 50 | 0 | 450 |
| PARTNERSHIPS & OPERATIONAL DELIVERY | 570 | 0 | 0 | 0 | 570 |
| SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) ASD DEVELOPMENT | 570 | 0 | 0 | 0 | 570 |
| COMMISSIONING & BUSINESS DEVELOPMENT | 6,194 | 9,417 | 4,862 | 0 | 20,473 |
| AHDC SHORT BREAKS PROGRAMME | 100 | 100 | 100 | 0 | 300 |
| ARMTHORPE ACADEMY LAND PURCHASE | 800 | 0 | 0 | 0 | 800 |
| DFC - GENERAL - PRIMARY | 400 | 300 | 200 | 0 | 900 |
| BRANTON ST WILFRED'S (SECTION 106) | 24 | 0 | 0 | 0 | 24 |
| DUNSVILLE PRIMARY SCHOOL EXPANSION | 1 | 254 | 0 | 0 | 255 |
| BENTLEY COMMUNITY LIBRARY IMPROVEMENTS | 61 | 0 | 0 | 0 | 61 |
| CUSWORTH HALL IMPROVEMENTS | 176 | 0 | 0 | 0 | 176 |
| CUSWORTH HALL SECURITY (CCTV) | 8 | 0 | 0 | 0 | 8 |
| FIRE SAFETY WORKS CHEQUER ROAD | 242 | 0 | 0 | 0 | 242 |
| FUTURE PLACEMENTS STRATEGY CWD | 600 | 0 | 0 | 0 | 600 |
| HATFIELD COMMUNITY LIBRARY IMPROVEMENTS | 48 | 0 | 0 | 0 | 48 |
| HAYFIELD SCHOOL CLASSROOM EXPANSION | 5 | 1,495 | 0 | 0 | 1,500 |
| OUTWOOD ACADEMY ADWICK EXPANSION | 3 | 538 | 0 | 0 | 541 |
| SAFEGUARD & SECURE MINOR PROJECT | 80 | 35 | 35 | 0 | 150 |
| SCHOOL PLACES HATCHELL GRANGE | 5 | 1,895 | 0 | 0 | 1,900 |
| SCHOOL PLACES-BLOCK ALLOCATION | 200 | 2,000 | 1,537 | 0 | 3,737 |
| SCHOOLS CONDITION PROGRAMME | 1,000 | 800 | 500 | 0 | 2,300 |
| SCHOOL PLACES SALTERSGATE JUNIOR SPORTS | 40 | 0 | 0 | 0 | 40 |
| SURPLUS PLACES ARMTHORPE | 10 | 2,000 | 2,490 | 0 | 4,500 |
| THORNE KING EDWARD SLC (S106) | 73 | 0 | 0 | 0 | 73 |
| WARMSWORTH PRIMARY SCHOOL (S106) | 61 | 0 | 0 | 0 | 61 |
| HOME TO SCHOOL - TRANSPORT | 757 | 0 | 0 | 0 | 757 |
| ARCHIVES | 1,500 | 0 | 0 | 0 | 1,500 |
| CHILDREN'S TRUST | 1,764 | 0 | 0 | 0 | 1,764 |
| FUTURE PLACEMENTS STRATEGY (CIC HOMES) | 1,104 | 0 | 0 | 0 | 1,104 |
| REFURBISHMENT OF BEECHFIELD FAMILY TIME CENTRE | 223 | 0 | 0 | 0 | 223 |
| FUTURE PLACEMENTS STRATEGY - SHORT BREAKS OVERNIGHT PROVISION | 437 | 0 | 0 | 0 | 437 |
| LEARNING, OPPORTUNITIES, SKILLS AND CULTURE CAPITAL PROGRAMME | 8,728 | 9,617 | 4,912 | 0 | 23,257 |

| LEARNING, OPPORTUNITIES, SKILLS AND CULTURE CAPITAL SOURCES OF FUNDING | 2021/22 | 2022/23 | 2023/24 | 2024/25 | FOUR YEAR |
|---|-------------------|-------------------|-------------------|-------------------|------------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| GRANTS & CONTRIBUTIONS | 2,771 | 9,617 | 4,912 | 0 | 17,300 |
| REVENUE CONTRIBUTION - GENERAL FUND | 629 | 0 | 0 | 0 | 629 |
| CAPITAL RECEIPTS - GF | 1,806 | 0 | 0 | 0 | 1,806 |
| BORROWING | 2,852 | 0 | 0 | 0 | 2,852 |
| USABLE CAPITAL RECEIPTS (HOUSING) | 670 | 0 | 0 | 0 | 670 |
| TOTAL LEARNING, OPPORTUNITIES, SKILLS AND CULTURE PROGRAMME FUNDING | 8,728 | 9,617 | 4,912 | 0 | 23,257 |

ECONOMY & ENVIRONMENT CAPITAL PROGRAMME 2021/22 TO 2024/25

| CAPITAL INVESTMENT | 2021/22 | 2022/23 | 2023/24 | 2024/25 | FOUR YEAR |
|---|---------------|---------------|---------------|---------------|----------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| | | | | | £'000s |
| ECONOMY & DEVELOPMENT | 20,140 | 16,779 | 1,107 | 910 | 38,936 |
| 15A SOUTH PARADE | 100 | 0 | 0 | 0 | 100 |
| ADWICK SEC | 213 | 0 | 0 | 0 | 213 |
| BALBY COMMUNITY SPORTS VILLAGE | 100 | 0 | 0 | 0 | 100 |
| COLONNADES UNDERGROUND CAR PARK | 70 | 0 | 0 | 0 | 70 |
| DGT TOWN CENTRE FOOTWAY ENHANCEMENT | 199 | 0 | 0 | 0 | 199 |
| HOLMES CARR CENTRE SECURITY IMPROVEMENTS | 11 | 0 | 0 | 0 | 11 |
| MARY WOOLLET CAR PARK RESURFACE | 84 | 0 | 0 | 0 | 84 |
| PAVILION REFURBISHMENT | 65 | 0 | 0 | 0 | 65 |
| RETAINED PUBLIC BUILDING'S INVESTMENT PROGRAMME | 1,019 | 13 | 0 | 0 | 1,032 |
| STRATEGIC ACQUISITION FUND | 3,135 | 0 | 0 | 0 | 3,135 |
| TRANSFORMING CITIES FUND | 8,297 | 16,766 | 0 | 0 | 25,063 |
| MULTIPLE ZONES - GET BUILDING DONE FUND (SOURCE OF FUNDING) | 5,500 | 0 | 0 | 0 | 5,500 |
| FUTURE PARKS – IMPLEMENTATION OF 15 BESPOKE PARK PLANS | 1,182 | 0 | 1,107 | 910 | 3,199 |
| FIXED PLAY FACILITIES MODERNISATION | 111 | 0 | 0 | 0 | 111 |
| REPLACEMENT FOOTBALL POSTS IN PARKS AND OPEN SPACES | 54 | 0 | 0 | 0 | 54 |
| ENVIRONMENT | 18,286 | 1,886 | 1,086 | 1,036 | 22,294 |
| BRIDGES LTP ALLOCATION | 303 | 0 | 0 | | 303 |
| FOOTWAYS REFURBISHMENT (FLAGS) | 3,650 | 0 | 0 | | 3,650 |
| MAINTENANCE BLOCK | 5,021 | 0 | 0 | | 5,021 |
| PATCHING DFT 20-21 | 2,451 | 0 | 0 | | 2,451 |
| REPLACE AIR QUALITY MONITORING STATIONS | 50 | 50 | 50 | | 150 |
| STREET LIGHTING IMPROVEMENT PROGRAMME | 1,560 | 1,000 | 1,000 | 1,000 | 4,560 |
| ADDITIONAL MOBILE ELEVATED WORK PLATFORM (MEWP) FOR TREE WORK | 190 | 0 | 0 | 0 | 190 |
| NATURALISATION - PLANTING OF WILDFLOWERS | 300 | 0 | 0 | 0 | 300 |
| DONCASTER GATEWAY TREE PLANTING | 36 | 36 | 36 | 36 | 144 |
| INTEGRATED TRANSPORT BLOCK | 1,325 | 0 | 0 | 0 | 1,325 |
| FRENCHGATE TUNNEL | 800 | 800 | 0 | 0 | 1,600 |
| NET ZERO CARBON | 2,600 | 0 | 0 | 0 | 2,600 |
| PUBLIC & PRIVATE SECTOR HOUSING | 31,919 | 57,808 | 42,481 | 41,845 | 174,053 |
| VOIDS CAPITAL WORKS | 3,373 | 3,034 | 3,072 | 3,071 | 12,550 |
| MECHANICAL & ELECTRICAL | 4,442 | 4,629 | 4,511 | 4,549 | 18,131 |
| HEATING CONVERSIONS/UPGRADES | 2,292 | 2,303 | 2,355 | 2,378 | 9,328 |
| ELECTRICAL PLANNED WORKS | 802 | 906 | 703 | 703 | 3,114 |
| MECHANICAL PLANNED WORKS | 65 | 131 | 134 | 135 | 465 |
| INTERNAL WORKS | 1,283 | 1,289 | 1,319 | 1,333 | 5,224 |
| EXTERNAL WORKS | 13,063 | 15,082 | 11,162 | 11,265 | 50,572 |
| EXTERNAL PLANNED MAINTENANCE | 6,589 | 6,613 | 5,384 | 5,434 | 24,020 |
| THERMAL EFFICIENCY - ECO WORKS | 3,096 | 6,940 | 4,216 | 4,255 | 18,507 |
| STRUCTURAL | 327 | 329 | 336 | 339 | 1,331 |
| FIRE SAFETY WORKS | 2,269 | 871 | 890 | 898 | 4,928 |
| SHOPS/FLATS | 218 | 219 | 224 | 226 | 887 |
| COMMUNAL HALLS | 564 | 110 | 112 | 113 | 899 |
| ENVIRONMENTAL WORKS | 9,652 | 32,382 | 22,116 | 22,120 | 86,270 |
| ENVIRONMENTAL / FENCING PROGRAMME | 493 | 495 | 507 | 512 | 2,007 |
| ASBESTOS SURVEYS & REMOVAL | 749 | 745 | 755 | 754 | 3,003 |
| GARAGE SITE IMPROVEMENTS | 429 | 426 | 431 | 431 | 1,717 |
| ESTATE PATHS | 322 | 319 | 323 | 323 | 1,287 |
| IT SYSTEMS/INVESTMENT | 196 | 0 | 0 | 0 | 196 |
| ACQUISITIONS/BUY BACKS | 391 | 182 | 100 | 100 | 773 |
| COUNCIL HOUSE BUILDING PROGRAMME (COMMITTED) | 7,072 | 0 | 0 | 0 | 7,072 |
| COUNCIL HOUSE BUILDING PROGRAMME (UNCOMMITTED) | 0 | 30,215 | 20,000 | 20,000 | 70,215 |
| PRIVATE SECTOR HOUSING CAPITAL PROGRAMME | 1,389 | 2,681 | 1,620 | 840 | 6,530 |
| EMPTY HOMES / FLOOD LOANS AND GRANTS | 220 | 220 | 220 | 440 | 1,100 |
| RESIDENTIAL SITE INVESTMENT | 639 | 400 | 1,400 | 400 | 2,839 |
| DEMOLITIONS | 530 | 0 | 0 | 0 | 530 |
| HOUSING INVESTMENT | 0 | 2,061 | 0 | 0 | 2,061 |
| REGENERATION & ENVIRONMENT CAPITAL PROGRAMME | 70,345 | 76,473 | 44,674 | 43,791 | 235,283 |

| ECONOMY & ENVIRONMENT CAPITAL SOURCES OF FUNDING | 2020/21 | 2021/22 | 2022/23 | 2023/24 | FOUR YEAR |
|---|---------------|---------------|---------------|---------------|----------------|
| | PROJECTION | PROJECTION | PROJECTION | PROJECTION | PROGRAMME |
| | £'000s | £'000s | £'000s | £'000s | TOTAL |
| | | | | | £'000s |
| CAPITAL RECEIPTS - GF | 4,796 | 296 | 50 | 0 | 5,142 |
| EARMARKED RESERVES | 380 | 0 | 0 | 0 | 380 |
| GRANTS & CONTRIBUTIONS | 27,375 | 16,457 | 1,311 | 991 | 46,134 |
| BORROWING | 9,584 | 24,999 | 16,436 | 16,560 | 67,579 |
| REVENUE CONTRIBUTION - GENERAL FUND | 1,108 | 1,085 | 396 | 395 | 2,984 |
| REVENUE CONTRIBUTION - HRA | 9,349 | 6,859 | 7,477 | 7,673 | 31,358 |
| USABLE CAPITAL RECEIPTS (HOUSING) | 1,910 | 2,681 | 3,620 | 2,840 | 11,051 |
| MAJOR REPAIRS RESERVE (HOUSING) | 15,843 | 24,096 | 15,384 | 15,332 | 70,655 |
| TOTAL REGENERATION & ENVIRONMENT CAPITAL PROGRAMME FUNDING | 70,345 | 76,473 | 44,674 | 43,791 | 235,283 |

Overview of projects by Theme

| | | | £30,190,164 | £11,907,570 | £9,394,870 | £1,358,900 | £558,900 | £558,900 |
|--|---|--------------------|---------------------------|-------------------------|------------|------------|----------|----------|
| Themes and Related Projects | Short Description | Stage of Approval | Sum of Total Project cost | Sum of Capital required | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| General Infrastructure - Director Dan Swaine | | | | | | | | |
| Retained Buildings Budget 2021/22 including North Bridge Depot & Colonnades Shopping Mall | Retained Buildings -Works at Hatfield Library, Stirling Centre, requiring an additional £117k budget. North Bridge Depot - replacing fencing, lighting columns and roadway resurfacing £134k Colonnades shopping mall - replacing mall flooring £200k, works to guttering, soffits , external wall £15k and block paving outside £50k. | D) DMBC Funded | £516,000 | £470,729 | £470,729 | £0 | £0 | £0 |
| Street Lighting Column Replacements | This bid is to replace the existing street lighting columns, from the existing 50,000 stock, that are considered a structural and mechanical risk to the council, with new street lighting columns, while reusing the existing LED light fitting where possible. The scheme helps to reduce the risk to the council and maintains the Council’s duty of care to maintain street lighting under The 1980 Highways Act. It is estimated 2,700 columns will require action over the course of the 4 years. Modern columns have a useful economic life 40 to 50 years. | C)DMBC Part Funded | £3,999,996 | £2,091,600 | £522,900 | £522,900 | £522,900 | £522,900 |
| Additional Mobile Elevated Work Platform (MEWP) for Tree Work | Provision of a 20-24m reach vehicle mounted (self driven) Mobile Elevated Work Platform (MEWP) for arboricultural work. The availability of a second MEWP in the day-to-day operations of the Tree Team is a significant aspect of the bid; helping adhere to Corporate Safety team recommendations by reducing the risk to Arborists, to increase service capacity and efficiency, and to improve service resilience against the aging workforce profile. The ability of a second MEWP to operate safely at increased heights will also increase the capacity of the service and reduce the likelihood of needing to hire a taller MEWP. This higher reach MEWP could also be made available, if required by other service areas, for example bridge inspections or high lighting gantries, etc. | D) DMBC Funded | £190,000 | £190,000 | £190,000 | £0 | £0 | £0 |
| Archives/Museum | Various options are currently being appraised for a suitable site or refurbishment of assets in Doncaster that could be used to locate the archives and where possible mitigate the use of unnecessary offsite provision. A report is to be completed in the summer at which point the full requirements and cost will be known. | C)DMBC Part Funded | £1,500,000 | £1,500,000 | £1,500,000 | £0 | £0 | £0 |

Urban Centre - Director Dan Swaine

| | | | | | | | | |
|--|---|------------------------------------|------------|----|----|----|----|----|
| Multiple Zones - Get Building Done Fund (Source of Funding) | Continued delivery of the Doncaster Quality Streets programme to deliver new public realm, supporting and enable investment in urban centre employment and residential development and including new active travel links and high speed digital infrastructure. | B) Fully Funded (Pending Approval) | £5,500,000 | £0 | £0 | £0 | £0 | £0 |
| | | | | | | | | |

Health & Leisure - Director Rupert Suckling

| | | | | | | | | |
|--|--|-----------------|------------|----------|----------|----|----|----|
| Future Parks – Implementation of 15 Bespoke Park Plans | The project will deliver a range of capital improvements in the following 15 parks by 2025; Denaby Craggs, Campsall Country Park, Edlington Wood (Pit Wood), Hexthorpe Park, Town Field, Westfield Park, Linden Walk, Grove Garden, Cantley Park, Castle Hills Park, Denaby Memorial Park, West End Lane, East Lane, Highfields Country Park, Moorends Miners’ Welfare.’ | A) Fully Funded | £3,199,000 | £0 | £0 | £0 | £0 | £0 |
| Future Placements Strategy - Short Breaks Overnight Provision | Deliver a more modern and improved Short Breaks overnight offer as part of the Future Placements Strategy. The current Oaklands site is to be renovated. | D) DMBC Funded | £437,000 | £437,000 | £437,000 | £0 | £0 | £0 |

| Themes and Related Projects | Short Description | Stage of Approval | Sum of Total Project cost | Sum of Capital required | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--|--|--------------------|---------------------------|-------------------------|------------|---------|---------|---------|
| Fixed Play Facilities Modernisation | Replacement of play equipment in parks. | D) DMBC Funded | £110,000 | £110,000 | £110,000 | £0 | £0 | £0 |
| Leisure Facility Ongoing Capital Investment & Maintenance | Investment in Leisure facilities - initial investment/further details on the longer-term requirement to be provided mid December. Works in 2021/22 are to take place at Adwick, Dearne, Thorne, Crookhill Park golf course, Hatfield Outdoor activity centre and The Dome. Works are to improve building fabric and lighting, mechanical and electrical elements. | D) DMBC Funded | £1,345,000 | £1,345,000 | £1,345,000 | £0 | £0 | £0 |
| Replacement football posts in parks and open spaces | A condition survey carried out earlier this year has identified a number of football posts are nearing the end of their life span. | C)DMBC Part Funded | £54,164 | £12,569 | £12,569 | £0 | £0 | £0 |

Education - Director Riana Nelson

| | | | | | | | | |
|---|--|--------------------|------------|----------|----------|----|----|----|
| School Capital Condition Programme | The project delivers the planned maintenance programme across all the schools as detailed with the attached appendix (excluding academies & LCVAP), current focus on mechanical (new heating & water tanks), electrical (mains upgrades) and fabric works (windows, external cladding & drainage). | A) Fully Funded | £1,000,000 | £0 | £0 | £0 | £0 | £0 |
| Refurbishment of Beechfield Family Time Centre | To approve the refurbishment of Beechfield Family Time Centre at an estimated cost of £223k. It is proposed that £28k of the works will be funded from the Trusts 2018/19 year end under spend held in Trust reserves. The remaining cost of £195k will need to be met from Council resources. | C)DMBC Part Funded | £223,000 | £194,858 | £194,858 | £0 | £0 | £0 |

Green/Blue Infrastructure (Climate and Carbon Reduction) - Director Dan Swaine

| | | | | | | | | |
|---|--|----------------|------------|------------|------------|---------|---------|---------|
| Net Zero Carbon – Building Energy Efficiency and Solar | Following the Council's declaration of a Climate & Biodiversity Emergency in 2019, and the subsequent actions undertaken through the establishment of a Doncaster Climate & Biodiversity Commission, production of a new Environment & Sustainability Strategy and Net Zero Carbon Masterplan; the Council proposes to commence a programme of activities to decarbonise its buildings, operations and energy supply. | D) DMBC Funded | £2,600,000 | £2,600,000 | £2,600,000 | £0 | £0 | £0 |
| Naturalisation - Planting of wildflowers | The investment will enable the service to properly maintain naturalised areas and develop further areas in the knowledge that we have the plant and materials to do this correctly. Includes the purchase of: 2 x Profihopper PH 1500 SmartLine self-propelled mower collectors, 1 x GHS Drive 2100 Smart cut, perennial wildflower seed and yellow rattle to suppress grass and encourage wildflowers to thrive | D) DMBC Funded | £300,000 | £300,000 | £300,000 | £0 | £0 | £0 |
| Doncaster Gateway Tree Planting | The proposal is to plant 100 large-canopied trees (i.e. oak, beech, elm, lime, etc) per year for five years on Doncaster Council land (primarily Highways and Street Scene managed) along these main arterial highways to improve the environment and help increase tree canopy coverage in the borough. The aim will prioritise the planting of avenues of trees where possible to create strong environmental features. Logistically, trees would be targeted in one locality each planting year to improve efficiency of planting and watering. | D) DMBC Funded | £180,000 | £180,000 | £36,000 | £36,000 | £36,000 | £36,000 |

Transport - Director Dan Swaine

| | | | | | | | | |
|--|---|-----------------|------------|----|----|----|----|----|
| The Highways Maintenance Block Funding (LTP) Highways and Bridges Maintenance Capital Programme 2021/22 | The highway and bridges network is recognised to be the authority's highest valued asset, continued and sustainable maintenance investment in this network is key to underpinning the ongoing delivery of Council wide services and in supporting economic growth and regeneration initiatives. | A) Fully Funded | £4,900,000 | £0 | £0 | £0 | £0 | £0 |
|--|---|-----------------|------------|----|----|----|----|----|

| Themes and Related Projects | Short Description | Stage of Approval | Sum of Total Project cost | Sum of Capital required | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-----------------------------------|---|-------------------|---------------------------|-------------------------|----------|----------|---------|---------|
| Integrated Transport Block | 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. | A) Fully Funded | £1,325,000 | £0 | | | | |
| Home To School - Transport | The scheme is for the replacement by direct purchase of 28 buses with a mixture of standard and adapted buses to include access for our most vulnerable children. Figures are currently based on purchasing conventional rather than electric vehicles and discussions about electric vehicles are progressing. We will continue to seek external funding opportunities. | D) DMBC Funded | £757,004 | £757,004 | £757,004 | £0 | £0 | £0 |
| Frenchgate Tunnel | This bid is to replace the existing tunnel lighting within Trafford Way Tunnel. The tunnel is now 14 years old after opening in 2006. The infrastructure installed had a life expectancy of 18 years meaning that the equipment is coming to the end of its life. Additionally to the end of life of the equipment fitted within the bores of the tunnel, the control system which runs on Windows XP is now un-supported. Which means in the event of a failure the lighting would not be able to be controlled in line with ambient lighting levels as required and would instead be running at a manually pre-set level. This would mean the scheme is not compliant with current standards and put the authority at risk of litigation in the unfortunate event of an accident in the tunnel. | D) DMBC Funded | £1,600,000 | £1,264,810 | £464,810 | £800,000 | £0 | £0 |

Digital - Director Debbie Hogg

| | | | | | | | | |
|---|---|----------------|----------|----------|----------|----|----|----|
| Customer Relationship Management | This scheme relates to the procurement and implementation of new and/or replacement key Council business systems and will enable continued progress towards becoming a modern digital authority and ensure service delivery is not affected by expiring technology contracts. This includes £204k for Customer Relationship Management System, £90k for Hardware and Software Asset Management, £120k for a tree management system, £30k for Play Inspection and Asset Management system and £10k Careers Information, Advice and Guidance website. | D) DMBC Funded | £454,000 | £454,000 | £454,000 | £0 | £0 | £0 |
|---|---|----------------|----------|----------|----------|----|----|----|



Doncaster Council

Report

Date: 16th February 2021

To the Chair and Members of
Cabinet

THE TREASURY MANAGEMENT STRATEGY STATEMENT 2021/22 – 2024/25

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 2021/22 £617m). 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 take cheaper short-term loans to maximise 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. Cabinet is asked to recommend to Council, the Treasury Management Strategy Statement 2021/22 – 2024/25 report and the Prudential Indicators included.
5. Cabinet is asked to recommend to Council 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. 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.
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);
 - a 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 Directors, 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 2021/22 – 2024/25 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, MHCLG MRP guidance, the CIPFA Treasury Management Code and the MHCLG 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 2020/21 but sessions will be held in 2021/22.

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

Treasury management consultants

20. The Council uses Link Group, Treasury solutions 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 2021/22 – 2024/25

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 2021/22 – 2024/25 budget cycle.

| | Actual | Estimates | | | | |
|----------------------------|---------------|---------------|----------------|----------------|---------------|---------------|
| | 2019/20 £k | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | 2024/25 £k |
| Capital Expenditure | | | | | | |
| General Fund (GF) | 63,913 | 63,274 | 68,281 | 42,074 | 19,955 | 14,446 |
| HRA | 22,988 | 20,181 | 39,446 | 62,790 | 47,463 | 46,827 |
| Total | 86,901 | 83,455 | 107,727 | 104,864 | 67,418 | 61,273 |

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 | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2019/20 £k | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | 2024/25 £k |
| Financing of Capital Expenditure | | | | | | |
| Capital Receipts | 8,047 | 7,198 | 19,173 | 7,054 | 4,320 | 3,140 |
| Capital Grants | 30,334 | 35,719 | 33,428 | 28,856 | 9,005 | 3,773 |
| Capital Reserves | 965 | 810 | 380 | 0 | 0 | 0 |
| Revenue | 24,251 | 20,111 | 28,829 | 33,940 | 25,157 | 25,300 |
| Sub Total | 63,597 | 63,838 | 81,810 | 69,850 | 38,482 | 32,213 |
| Net Financing Need | 23,304 | 19,617 | 25,917 | 35,014 | 28,936 | 29,060 |

Borrowing

26. The capital expenditure plans set out below 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 31/03/20, the Council had £46.7m of such schemes within the CFR:

| | Actual | Estimates | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 £k | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | 2024/25 £k |
| Capital Financing Requirement | | | | | | |
| GF | 316,754 | 329,959 | 336,481 | 348,124 | 353,945 | 359,940 |
| HRA | 267,069 | 267,428 | 280,416 | 296,416 | 312,416 | 328,416 |
| Total CFR | 583,823 | 597,387 | 616,897 | 644,540 | 666,361 | 688,356 |
| Movement in CFR | 15,640 | 13,564 | 19,510 | 27,643 | 21,821 | 21,995 |
| Represented by | | | | | | |
| Net Financing Need (table above) | 23,304 | 19,617 | 25,917 | 35,014 | 28,936 | 29,060 |
| Less MRP/Other financing adjustment | (7,664) | (6,053) | (6,407) | (7,371) | (7,115) | (7,065) |
| Movement in CFR | 15,640 | 13,564 | 19,510 | 27,643 | 21,821 | 21,995 |

31. The Council is forecast to have borrowed £521.3m as at 31/03/21 against a CFR (borrowing requirement) of £597.4m which means that the Council is currently forecast to be under-borrowed (see paragraphs 32 to 35) by £76.2m. This minimises external interest costs but may not be sustainable long term.

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 used short-term borrowing opportunities from other authorities as they have restricted lending lists which means they lend at rates lower than the Public Works Loan Board (PWL) rates.

35. 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 has reduced the under borrowed position until the pension prepayment loans are 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.
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 Ministry of Housing, Communities & Local Government (MHCLG) 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 | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 £k | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | 2024/25 £k |
| Reserves balances | 84,435 | 122,435 | 103,335 | 84,435 | 84,435 | 84,435 |
| Capital receipts | 17,348 | 14,664 | 15,358 | 15,950 | 15,603 | 16,037 |
| Provisions | 14,609 | 14,609 | 14,609 | 14,609 | 14,609 | 14,609 |
| Capital Grants Unapplied | 19,572 | 19,572 | 19,572 | 19,572 | 19,572 | 19,572 |
| Total core funds | 135,964 | 171,280 | 152,874 | 134,566 | 134,219 | 134,653 |
| Working capital | 8,485 | 8,485 | 8,485 | 8,485 | 8,485 | 8,485 |
| Under/over borrowing | 81,121 | 76,234 | 69,827 | 62,456 | 55,341 | 48,276 |
| Expected investments | 46,358 | 86,561 | 74,562 | 63,625 | 70,393 | 77,892 |

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 2021 is expected to be £521.2m. This is split across two pools as shown in the table below. The borrowing need (total CFR) is £597.4m, which highlights that the Council will be under-borrowed by £76.2m (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), highlighting any over or under borrowing.

| Portfolio Position | Actual | Estimates | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 £k | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | 2024/25 £k |
| CFR General Fund | 315,588 | 329,959 | 336,481 | 348,124 | 353,945 | 359,940 |
| External Borrowing | 235,473 | 254,731 | 267,660 | 286,674 | 299,610 | 312,670 |
| Under-borrowed Position | 80,114 | 75,228 | 68,821 | 61,450 | 54,335 | 47,270 |
| Ave. Interest Rate | 2.87% | 2.61% | 2.34% | 2.32% | 2.26% | 2.23% |
| CFR HRA | 267,069 | 267,428 | 280,416 | 296,416 | 312,416 | 328,416 |
| External Borrowing | 266,063 | 266,422 | 279,410 | 295,410 | 311,410 | 327,410 |
| Under-borrowed Position * | 1,006 | 1,006 | 1,006 | 1,006 | 1,006 | 1,006 |
| Average Interest Rate | 4.66% | 4.63% | 4.40% | 4.25% | 4.06% | 4.21% |
| Total CFR | 582,657 | 597,387 | 616,897 | 644,540 | 666,361 | 688,356 |
| Total External debt | 501,536 | 521,153 | 547,070 | 582,084 | 611,020 | 640,080 |
| Total Under-borrowing | 81,121 | 76,234 | 69,827 | 62,456 | 55,341 | 48,276 |

*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 rise gently between 2021/22 and 2024/25. The average interest rate on HRA debt is higher than the GF debt as the pool contains a higher proportion of older or longer term, debt taken out at higher interest rates.
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 MHCLG guidance, the council needs to report debt relating to commercial activities/non-financial investments separately. The Council confirms that we do not currently have any debt relating to commercial activities/non-financial investments and there are no plans for this to change during the term of this report.

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 normally expected limit for external borrowing. For 2021/22, the limit is **£616.9m**. In most cases, this would be a similar figure to the CFR. However, Doncaster Council's operational boundary adds in our 'other long term liabilities' (which is Metropolitan Debt transferred from South Yorkshire County Council, the final repayment is due to be made in 2020/21).

| Operational Boundary | Actual | Estimates | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | £k | £k | £k | £k | £k | £k |
| CFR/Borrowing | 583,823 | 597,387 | 616,897 | 644,540 | 666,361 | 688,356 |
| Other long-term liabilities Met. Debt | 4,762 | 2,381 | 0 | 0 | 0 | 0 |
| Total | 588,585 | 599,768 | 616,897 | 644,540 | 666,361 | 688,356 |

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, determined under section 3 of the Local Government Act 2003, beyond which external borrowing is prohibited and this limit needs to be set or revised by the full Council.

51. 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.

52. This allows the Council to borrow in advance (up to 3 years) of need for future planned expenditure – relating solely to unfinanced capital expenditure in any future 3-year period. 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 2021/22, the limit is **£706.8m**.

| Authorised limit | Actual | Estimates | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 £k | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | 2024/25 £k |
| Borrowing | 583,823 | 597,387 | 616,897 | 644,540 | 666,361 | 688,356 |
| Other long-term liabilities – 'Met. Debt' | 4,762 | 2,381 | 0 | 0 | 0 | 0 |
| Theoretical amount | 0 | 80,548 | 89,867 | 93,010 | 0 | 0 |
| Total | 588,585 | 680,316 | 706,764 | 737,550 | 666,361 | 688,356 |

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. Economic and interest rate forecasting remains difficult with so many external influences weighing on the United Kingdom (UK). The Link forecasts will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Within a benign interest rate environment, the overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the speedy completion of new trade deals as part of the Brexit transition period.

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 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. The borrowing strategy is a continuation of the recent successful strategy that has generated large interest savings. The savings are generated in two ways, being under-borrowed (see paragraphs 32 to 35) and borrowing short term (see paragraphs 36 to 38). As interest rates are forecast to increase gently over the term of this strategy we propose to continue to borrow short term rather than lock into the historically low long term interest rates. Where the Chief Financial Officer considers it is prudent to do so borrowing may be taken over a longer period.

59. The savings, which are very sensitive to a movement in interest rates, assume that the under-borrowing will continue. There remains risks associated with the under-borrowing but these will probably be eroded over time through the application of MRP.

60. The strategy delays some borrowing as long as possible to generate interest saving. For example at today's interest rates, if we were to borrow the £76.2m (forecast under-borrowed amount as at 31st March 2021) from the PWLB over 5 years interest would cost £0.8m per annum and over 25 years to 50 years it would cost £1.3m 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 normalise gradually during the strategy term, however, the new normal is forecast to be much lower borrowing rates than in previous economic cycles. Also, 48% of the

Councils borrowings are for terms between 30 and 50 years, which brings certainty of cost and minimises interest rate risk on almost half the portfolio.

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 fund internal, the rate charged on this internal borrowing will be based on the average external rate of interest on the applicable pool at the end of the financial year. This is a reasonable approach providing certainty of charging, protection against short-term increases in market rates and reflects the fact that strategic borrowing decisions will generally be made on an annual basis.

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 MHCLG's Guidance on Local Government Investments ("the Guidance"), the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA Code") and the CIPFA Treasury Management Guidance Notes 2018. The Council's investment priorities will be security first, portfolio liquidity second, then return.
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 Asset Services Treasury Solutions, ratings service, banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
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 MHCLG Guidance defines Specified Investments as those: -
- Denominated in sterling;
 - Due to be repaid within 12 months of the arrangement;
 - Not defined as Capital Expenditure by legislation and invested with one of:-
 - I. The UK Government
 - II. A UK local authority, parish council, or community council, or
 - III. A body or investment scheme of "high credit quality"
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 Asset Services Treasury Solutions.
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 |
| 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 Asset Services Treasury Solutions, creditworthiness service uses a wider array of information in addition to the primary ratings and by using a risk weighted scoring system, does not give undue weighting to one agency's ratings.
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 Asset Services Treasury Solutions, 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 0.1% and forecast to stay at 0.1% until at least March 2024.
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 the 7 day London Interbank Bid Rate (LIBID) as its investment benchmark. We will also continue to use the investment benchmarking service offered by Link Asset Services Treasury Solutions, to compare our performance against our peers.
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 2021, August 2021 and January 2022).
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. |

| Options | Likely impact on Income and Expenditure | Likely impact on risk management |
|--|--|---|
| 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 |
|--|---|---|
| | <p>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;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment | <p>Treasury Management impacts on all the outcomes; it makes sure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet the Council's activities.</p> |
| | <p>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;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life</p> | |

| | Outcomes | Implications |
|--|--|---------------------|
| | <p>that is fulfilling;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • 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 | |
| | <p>Connected Council:</p> <ul style="list-style-type: none"> • 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 27/01/21]

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 05/02/21]

118. The treasury management budget required for 2021/22 has been reviewed and analysed over the following headings: -

| | General Fund £'m |
|---------------------------------------|-----------------------------|
| <u>Costs</u> | |
| Total Borrowing Costs | 6.434 |
| Other treasury management expenditure | 0.089 |
| Total Costs | 6.523 |
| <u>Income</u> | |
| Investment Interest | -0.615 |
| Net Costs | 5.908 |

119. The 2020/21 general fund budget was £6.148m for Treasury Management and after £0.240m of savings that have been included in the 2021/22 revenue budget proposals, the £5.908m 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 KG Date 05/02/2021]

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

TECHNOLOGY IMPLICATIONS [Officer Initials...PW Date...27/01/21]

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

HEALTH IMPLICATIONS [Officer Initials RS Date 27/01/2021]

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: RS Date: [27/01/2021]

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

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

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

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

Localism Act 2011.

MHCLG Statutory Guidance Local Government Investments (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

MHCLG - Ministry of Housing, Communities and Local Government

HRA – Housing Revenue Account

GF – General Fund

CDS – Credit Default Swaps

NRFB – Non Ring-Fenced Bank

LIBID – London Inter Bank Bid Rate

GMRA – Global Master Repurchase Agreement

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Section 151 Officer

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2020/21 – 2024/25

- 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 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-----------------------------------|---------------|---------------|----------------|----------------|---------------|---------------|
| £m | Actuals | Estimates | | | | |
| Adults, Health & Wellbeing | 7,150 | 5,995 | 7,527 | 4,982 | 4,982 | 4,982 |
| Finance & Corporate | 10,386 | 7,614 | 21,127 | 13,792 | 12,850 | 12,500 |
| Learning & Opportunity – Children | 7,063 | 7,356 | 8,728 | 9,617 | 4,912 | 0 |
| Economy & Environment | 41,495 | 43,410 | 38,426 | 18,665 | 2,193 | 1,946 |
| Non-HRA | 66,094 | 64,375 | 75,808 | 47,056 | 24,937 | 19,428 |
| HRA | 20,809 | 19,081 | 31,919 | 57,808 | 42,481 | 41,845 |
| TOTAL | 86,903 | 83,456 | 107,727 | 104,864 | 67,418 | 61,273 |

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.

| | 2019/20 Actual | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate | 2024/25 Estimate |
|---------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Non-HRA | 4.60% | 4.52% | 3.60% | 3.09% | 2.81% | 2.71% |
| HRA | 16.92% | 16.30% | 16.10% | 15.65% | 14.99% | 14.87% |

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

HRA ratios

| | 2019/20 Actual | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate | 2024/25 Estimate |
|--------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| HRA debt £k | 266,063 | 266,422 | 279,410 | 295,410 | 311,410 | 327,410 |
| HRA revenues £k | 73,840 | 75,199 | 75,774 | 77,387 | 79,395 | 81,025 |
| Ratio of debt to revenues % | 27.75% | 28.23% | 27.12% | 26.20% | 25.50% | 24.75% |

| | 2019/20 Actual | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate | 2024/25 Estimate |
|-------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| HRA debt £k | 266,063 | 266,422 | 279,410 | 295,410 | 311,410 | 327,410 |
| Number of HRA dwellings | 20,108 | 20,043 | 19,980 | 19,860 | 19,740 | 19,620 |
| Debt per dwelling £ | 13,232 | 13,293 | 13,984 | 14,875 | 15,776 | 16,688 |

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 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|--------------|--------------|-----------------------|------------------|--------------|
| 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% | 108,690 | 20.65% | |
| 12 months to 2 years | 0% | 50% | 55,101 | 10.47% | |
| 2 years to 5 years | 0% | 50% | 27,000 | 5.13% | |
| 5 years to 10 years | 0% | 75% | 16,621 | 3.16% | |
| 10 years and above | 10% | 95% | 318,941 | 60.59% | |
| Total | | | 526,353 | 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

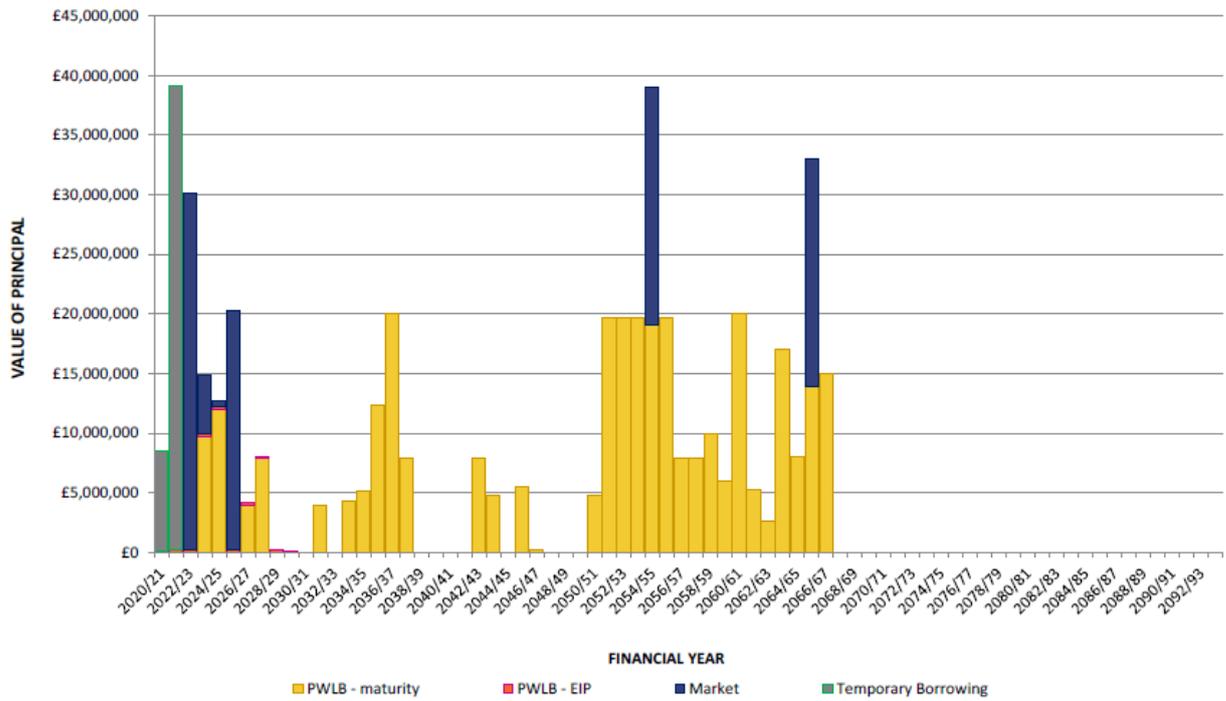
- 1) The Council has an annual duty to charge an amount of MRP to the General Fund Revenue Account which it considers to be a prudent provision. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers. The guidance on MRP allows different options for the calculation of MRP as below:
 - Regulatory method
 - CFR method
 - Asset Life method, using either
 - Equal instalment method
 - Annuity method
 - Depreciation method

Doncaster Council 2021/22 MRP Policy

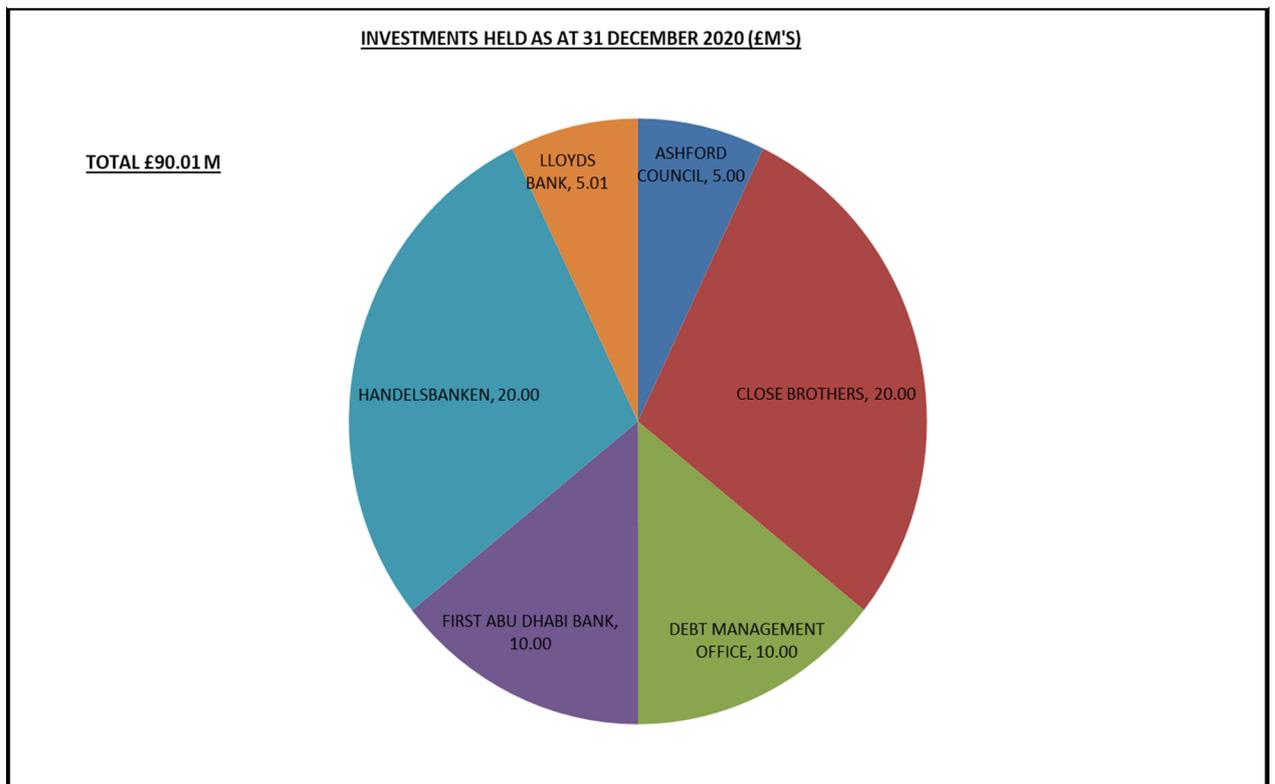
- 2) The Council adopts the most appropriate method of calculating and charging MRP for the specific asset. Methods used include either:
 - **Asset Life method – Equal instalment method** (option 3a); or
 - **Asset Life method - Annuity method** (option 3b); or
 - **Depreciation method** (option 4).
- 3) **MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31st March 2021, the total MRP overpayments are estimated to be £29.98m. It is proposed in the Revenue Budget 2020/21 – 2022/23 Report to utilise £8.2m over the next three years.

Analysis of Debt as at 31/12/20

Maturity Profile



Analysis of Investments as at 31/12/20



Interest Rate Forecasts

- 1) The Council has appointed Link Group 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 11.8.20. However, following the conclusion of the review of PWLB margins over gilt yields on 25.11.20, all forecasts below have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80bps:

| Link Group Interest Rate View | | 9.11.20 | | | | | | | | | | | |
|--|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20 | | | | | | | | | | | | | |
| | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
| BANK RATE | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| 3 month ave earnings | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| 6 month ave earnings | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| 12 month ave earnings | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| 5 yr PWLB | 0.80 | 0.80 | 0.80 | 0.80 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 |
| 10 yr PWLB | 1.10 | 1.10 | 1.10 | 1.10 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.30 | 1.30 | 1.30 | 1.30 |
| 25 yr PWLB | 1.50 | 1.60 | 1.60 | 1.60 | 1.60 | 1.70 | 1.70 | 1.70 | 1.70 | 1.80 | 1.80 | 1.80 | 1.80 |
| 50 yr PWLB | 1.30 | 1.40 | 1.40 | 1.40 | 1.40 | 1.50 | 1.50 | 1.50 | 1.50 | 1.60 | 1.60 | 1.60 | 1.60 |

- 2) 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 to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31.12.20: as this has now occurred, these forecasts do not need to be revised.

Gilt yields / PWLB rates

- 3) There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a

precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

- 4) Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.
- 5) As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- **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: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. *(Please note that Link has concerns over this approach, as the fundamental principle of local authority borrowing is that borrowing is a treasury management activity and individual sums that are borrowed are not linked to specific capital projects.)* It also introduced the following rates for borrowing for different types of capital expenditure: -
 - **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
 - **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
 - **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)
- As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% 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 new 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.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.
- 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 Asset Services Treasury Solutions credit worthiness service. The UK is currently rated as AA- but is still an approved country for investments.

| AAA | AA+ | AA |
|-----------------------------|------------|-----------------|
| Australia, Denmark, Germany | Finland | Abu Dhabi (UAE) |
| Luxembourg, Netherlands, | Canada | France |
| Norway, Singapore, Sweden | | |
| Switzerland, USA | | |



Doncaster Council

Report

Date: 16th February 2021

To the Chair and Members of Cabinet

Housing Revenue Account Budget 2021/22

| 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 2021/22 Housing Revenue Account (HRA) Budget. The report focuses on the following key areas:-
 - the level of the Council's housing rents for 2021/22; the current average rent is £71.81 per week which is the lowest within South Yorkshire, rents will increase by 1.5% for 2021/22;
 - the Housing Revenue Account (HRA) budget proposals for 2021/22;
 - the medium term financial forecast for the HRA which includes estimated budgets for 2022/23, 2023/24 and 2024/25; 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 2021/22 is a balanced budget (income equals expenditure); and
 - the level of fees and charges for 2021/22 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 5th April 2021, by 1.5% as detailed in paragraphs 7 to 10 in line with Government policy. This will increase average weekly rent by £1.08, resulting in an average rent of approximately £72.89 per week. Rents will be charged every week of the year.
 - ii. The budget proposals for the HRA for 2021/22, 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 2021/22. 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 Health & Safety standards. It also provides sufficient funding to support an ambitious investment programme that will deliver significant numbers of new additional properties over the next 5 years.

BACKGROUND

5. The Housing Revenue Account budget for 2020/21 was approved on 5th March 2020. Since then the regular financial management reports to Cabinet have provided the latest projections of the 2020/21 financial position.

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

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

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 1st April 2020. The Regulator of Social Housing will monitor compliance with the policy.

BUDGET PROPOSALS 2021/22

6. The Budget proposals for 2021/22 are shown in detail at Appendix A. The key features are as follows:-
 - a) An increase in rents of 1.5% with effect from 5th April, 2021 (see paragraphs 7 to 10 for more details);
 - b) Dwelling rent income is expected to be £0.9m higher at £74.9m 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 £0.8m to reflect increases in salaries (pay award), inflationary increases and changes to legislation. Efficiency savings have been made from within SLHD of £0.25m 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 2021/22 is £32.7m;

- e) The number of Right to Buy sales continues to be monitored and total sales to the 31st December 2020 were 37 giving an average of 0.95 sales per week (compared to 2.26 per week as of December 2019). A projected level of 120 sales, 57 new build and/or acquisitions and a void rent loss percentage of 1.25% have been used for calculating the rental income budget for 2021/22;
- f) Housing Subsidy (the historic Government grant system for the HRA) was abolished with effect from 1st 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;
- g) 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;
- h) Following the tragic fire at Grenfell Tower in June 2017, there has been a considerable focus on health & 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 expected through the Fire Safety Bill and Building Safety Bill. These will 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 and fire safety issues and the Building Safety Group is being reviewed to oversee this growing agenda. Moving forward, there could be significant implications on budgets in future years.
- i) A prudent level of balances for the HRA is considered to be £4.0m. Any surplus funds in excess of this, £2.7m, 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 2021/22. This will maintain an estimated reserve within the HRA of £4.0m by 31st March 2022.

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 year period (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 2020 was 0.5% therefore, rents cannot increase by more than 1.5%. 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 will be monitored, checked and reported on by the Regulator of Social Housing (the Regulator).
9. Rents in Doncaster are the lowest of all South Yorkshire Councils based on the 2021/22 financial year (according to published budget reports).
10. There are five different ways in which rents will change during 2021/22, (different types of rents are defined in paragraph 11);

Existing tenants (social rent) – rent will be increased by 1.5%;

New tenants into existing (social rent) housing stock – if the tenancy changes during 2021/22 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 grant, affordable rent) – when new properties are handed over both the target rent and affordable rent will be calculated for these properties, the rent charged will be the higher of the two figures (this is a condition of the grant funding) and

Existing affordable rent properties – the rent will be increased by 1.5% 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 next 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. It has then been updated each year by retail price index (RPI) inflation plus 0.5% up until 2014/15. In 2015/16 the target rent was increased by consumer price index (CPI) plus 1% (2.2%), the average target rent in Doncaster for 2015/16 was £75.26 per week. The target rent figure for 2015/16 is the base figure used for calculating target rent in future years. The 2016/17 target rent figure (£74.65 per week) is 2015/16 minus 1%, the 2017/18 figure (£73.91 per week) is reduced by a further 1%, the 2018/19 figure (£73.17 per week) is reduced by a further 1%, the 2019/20 figure is reduced by a further 1% (£72.44 per week), the 2020/21 figure is increased by 2.7% (£74.43 per week), the 2021/22 figure is increased by 1.5% (£75.55 per week).

12. Affordable rents – Affordable rent is defined as 80% of open market rent. A qualified surveyor calculates these figures on an individual basis for each property. A number

of properties that 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 £97.07 per week and this will increase to £98.53 per week in 2021/22.

13. The additional rent generated as a result of charging affordable rent on properties that have been built or acquired using an element of Government grant is £0.4m in 2021/22 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 £20m of investment in new build housing a year over the next 5 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 2021/22:-

- a) That there are no changes to fees and charges.
- b) The bio mass district heating boiler at Ennerdale provides heating and hot water to the bungalows at Ennerdale and the properties in Jubilee Court. The current charge for heating at this scheme is 6.4p per unit (plus VAT). The charges for heating should ensure that the scheme breaks even, it is therefore recommended that the charges remain the same. The average annual charge for these properties is £325.
- c) The district heating charge for properties on the Balby Bridge estate will remain at 6.72p per unit (inclusive of VAT) which is equivalent to 6.4p per unit plus VAT. The average annual charge for these properties is £222.
- d) 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 2020/21 & 2021/22 |
|------------------------------------|---|
| Garages | £5.63 per week (charged every week) |
| Garage charges to non tenants | £6.76 per week (charged every week) |
| Garage Sites | £1.00 per week |
| Garage site charges to non tenants | £1.20 per week |

| | |
|---|--|
| District Heating – Balby Bridge | 6.4p per unit (excluding VAT) 6.72p per unit (inclusive of VAT) |
| District Heating – Milton Court Bedsits One bedroom Three bedroom | £7.06 per week £7.16 per week £7.49 per week |
| District Heating – Ennerdale | 6.4p per unit 6.72p per unit (inclusive of VAT) |
| Enclosed Garden Service (inclusive of VAT) | £2.65 £3.33 £3.60 £4.11 £4.38 (charged every week or 34 weeks) |

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 affect 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 5,941 UC claimants in the Council's housing stock. At some point during 2022, when UC is fully rolled out, it is expected that all working age tenants will be paid their benefits via UC. This will apply to approximately 7,500 Council tenancies and will require approximately £24.0m of rent to be collected from tenants, which has previously been paid directly to the HRA via housing benefit. The estimated value of the rent which will need to be collected from these tenants during the 2021/22 financial year (which was previously paid direct via housing benefit) will be £22.7m.

OPTIONS CONSIDERED

16. Two options were considered for the rent increase in 2021/22;
 Option 1 (recommended option) – A 1.5% 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 that includes significant expenditure on energy efficiency works, health & safety improvements and new build council houses. Each 1% rent increase generates just under £0.75m per year. Over a four year period rent increases based on CPI plus 1% generate additional rent income of £6.3m.

Option 2 – A rent increase that is lower than 1.5%. Over the four years from 2016 to 2020 costs increased by approximately 10% while rent income reduced by 1% each year. The last five years have also seen higher expectations in terms of the standard of properties and in relation to Health & Safety and compliance. A rent increase of less than 1.5% 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 1.5% 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 |
|--|---|---|
| | <p>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;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment | <p>All staff employed by SLHD are paid at or above the Living Wage.</p> <p>SLHD has an established apprenticeship programme and all entry level roles are reviewed to see if they can be converted to an apprenticeship role.</p> |
| | <p>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;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good | <p>All Council homes are improved and maintained to the Doncaster Decency standard. Resources have been identified to build new Council houses and to improve the energy efficiency of the existing ones.</p> |

| | | |
|--|--|--|
| | <p>quality, affordable home</p> <ul style="list-style-type: none"> • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage | |
| | <p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • 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 | <p>A safe and warm living environment is an excellent foundation from which children, young people and adults can prosper.</p> |
| | <p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • 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 | <p>SLHD works closely with the Council's stronger families team. A tenancy sustainment team has recently been established.</p> <p>A significant amount of investment is made each year in aids and adaptations to people's homes to enable them to live there in a safe and comfortable environment.</p> |
| | <p>Connected Council:</p> <ul style="list-style-type: none"> • 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 | <p>Housing services in Doncaster are excellent value for money with 94.2% of tenants saying that they are satisfied that their rent provides value for money. St Leger Homes is a key partner in Team Doncaster and in delivering Doncaster Growing Together.</p> |

RISKS AND ASSUMPTIONS

19. The table below identifies the main quantifiable risks, which might result in the actual income and expenditure in 2021/22 being significantly different from the estimates and proposed actions to manage/mitigate them;

| Risk/Assumption | Probability | Impact | Proposed Action |
|---|-------------|--|---|
| Increase in rent arrears | Medium | The provision for bad debt needs to be increased. | Increased focus on rent collection and financial advice. Bad debt provision of £0.6m. |
| Changes in Government policy that result in increased expenditure or reduced income. | Medium | Any significant changes would require a thorough review of all budgets and priorities. | Monitor Government announcements and where appropriate adjust budgets. |
| Interest rates increase by 0.5% | Medium | Increased costs of £1.3m | A prudent estimate has been assumed for interest rates, a large proportion of loans are at fixed rates of interest. |
| Dwelling rent voids exceed the assumed level of 1.25% of the rent debit (£0.949m income reduction for the year) by 0.25% of rent debit. | Medium | Income reduction £0.190m | Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high. |
| Dwelling rent voids exceed the assumed level of 1.25% of the rent debit (£0.949m income reduction for the year) by 1.0% of rent debit | Low | Income reduction £0.759m | Regular monitoring of voids, reduce re-let periods, review strategy for long term voids. Demand for most properties remains high. |
| Inflation in future years is higher than anticipated. An additional 1% on CPI would create cost pressures. | Medium | £0.057m of potential inflationary costs. | Inflationary projections for future years are expected to remain low, the figures will be monitored on a regular basis. |

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 19.01.21]

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 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: 04.01.21]

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

HUMAN RESOURCES IMPLICATIONS [Officer Initials: AC Date: 26.01.21]

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

TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 18.01.2021]

23. There are no direct technology implications as a result of this report. 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: KH Date: 25.01.21]

24. This report sets out the proposals for the 2021/22 Housing Revenue Account (HRA) Budget, including a 1.5% rental increase following an increase of 2.7% in 2020/21. 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 is already having a significant impact on the economic wellbeing of some of our residents. It can be expected that these issues will continue into the future and may even worsen as schemes, such as the national furlough scheme end, potentially leading to job losses and business closure. 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 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. 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 continue to have access to existing preventative and supportive tenancy services to enable them to manage and maximise their finances in light of these changes, changes in Universal Credit and pressures from COVID-19 and to support them if they struggle or fall into arrears.

EQUALITY IMPLICATIONS [Officer Initials: JC Date: 04.01.21]

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

26. Directors and Cabinet have considered the budget proposals at several meetings between October 2020 and December 2020. Key dates in the budget timetable leading up to Council approving the budget on the 1st March 2021 are detailed below:-

- Overview & Scrutiny Management Committee (OSMC) – Budget briefing session 1st February 2021 and OSMC meeting 11th February 2021.
- The Chair of the Overview & Scrutiny Management Committee has responded to the Mayors budget proposals, response will be added before Council.
- Labour Group – Budget Consultation 27th January 2021.
- Budget sessions with Group Leaders February 2021.
- Cabinet - Council reports – 16th February 2021.

27. 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 25th January 2021. Views were also sought from a further 93 tenants via a survey.

28. 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.
29. 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.
30. 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.
31. SLHD consult with their staff and unions on the proposals within the HRA budget which directly affect them.

BACKGROUND PAPERS

- **Welfare Reform and Work Act 2016**
<https://www.legislation.gov.uk/ukpga/2016/7/contents/enacted>
- Policy statement on rents for social housing, February 2019. Issued by Ministry of Housing, Communities and Local Government (MHCLG)
- the Fire Safety Bill was issued on 19th March 2020
- the Draft Building Safety Bill was issued on 20th July 2020 (expected to become an Act during 2021)
- Cabinet report 1st December, 2020 – 2020/21 Quarter 2 Finance and Improvement Performance Report and Delivering for Doncaster Booklet.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

CPI – Consumer Price Index

HCA - Homes and Communities Agency

HRA – Housing Revenue Account

MHCLG - Ministry of Housing, Communities and Local Government

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 2021/22 to 2024/25

| Description | Annual Budget | Annual Budget | Annual Budget | Annual Budget |
|--|----------------|----------------|----------------|----------------|
| | OE | OE | OE | OE |
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | £000s | £000s | £000s | £000s |
| Expenditure | | | | |
| Management and Maintenance | | | | |
| Insurances | 790 | 800 | 820 | 840 |
| General Management | 3,630 | 3,670 | 3,728 | 3,798 |
| Special Services | 214 | 214 | 214 | 214 |
| Management Fee to St Leger Homes | 32,724 | 33,401 | 34,363 | 35,150 |
| Tenancy Sustainment Fund | 111 | 111 | 111 | 111 |
| Debt Management Expenses | 16 | 16 | 16 | 16 |
| Rent, Rates, Taxes & Other Charges | 153 | 153 | 153 | 153 |
| Capital Charges | | | | |
| Depreciation on Council Dwellings | 17,697 | 17,697 | 17,697 | 17,697 |
| Depreciation on non dwellings | 928 | 928 | 928 | 928 |
| Provision For Bad or Doubtful Debts | 600 | 615 | 633 | 652 |
| Total Expenditure | 56,863 | 57,605 | 58,663 | 59,559 |
| Income | | | | |
| Rent Income | | | | |
| Dwelling Rents | -74,945 | -76,572 | -78,605 | -80,260 |
| Non-dwelling Rents | -829 | -815 | -790 | -765 |
| Charges For Services and Facilities | -114 | -114 | -114 | -114 |
| Contributions Towards Expenditure | -229 | -229 | -229 | -229 |
| Income from Solar Panels | -212 | -216 | -220 | -224 |
| Total Income | -76,329 | -77,946 | -79,958 | -81,592 |
| Net Income from Services | -19,466 | -20,341 | -21,295 | -22,033 |
| Capital Charges | | | | |
| Loan Charges - Interest | 12,474 | 12,994 | 13,327 | 13,866 |
| Interest Receivable | -14 | -20 | -20 | -20 |
| Net Operating Income | -7,006 | -7,367 | -7,988 | -8,187 |
| Appropriations | | | | |
| Revenue Contribution To Capital Outlay | 9,660 | 7,367 | 7,988 | 8,187 |
| Transfer to / from Reserves | -2,654 | 0 | 0 | 0 |
| Surplus (-) / Deficit for Year | 0 | 0 | 0 | 0 |
| HRA A/C BALANCE BF | 6,654 | 4,000 | 4,000 | 4,000 |
| Transfer to/from balances | -2,654 | 0 | 0 | 0 |
| HRA A/C BALANCE CF | 4,000 | 4,000 | 4,000 | 4,000 |

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SLHD Management Fee

| | Note | 2021/22 £000s | 2022/23 £000s | 2023/24 £000s | 2024/25 £000s |
|---|------|------------------|------------------|------------------|------------------|
| Management fee | | 31,931 | 32,724 | 33,401 | 34,363 |
| Growth items | | | | | |
| Inflationary increases | | | | | |
| Pay award | 1 | 747 | 720 | 745 | 770 |
| Pay award adjustment from previous year | 1 | -65 | | | |
| Superannuation | 2 | 0 | 0 | 200 | 0 |
| Increments | 3 | 59 | 50 | 50 | 50 |
| Inflation | 4 | 202 | 300 | 300 | 300 |
| Arboriculture | 5 | -60 | -60 | | |
| Building Safety Manager posts | 6 | 160 | | | |
| Efficiencies delivered | 7 | -250 | -333 | -333 | -333 |
| Total Management Fee | | 32,724 | 33,401 | 34,363 | 35,150 |

Details of the growth bids are;

1. Pay award - 2.75% pay award with effect from 1 April 2021 and then 2.0% in each of the following years.

1. Pay award adjustment - 3% was budgeted for and 2.75% was agreed.

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 increase costs for contracted goods and services. Total non pay budgets are £16.9m. Inflation is calculated on individual budget lines and the vast majority of budgets have not been inflated, examples of some of the inflationary increases are materials at 0.5% (£32k) and SLAs at 4% (£165k). The inflation figure is reduced for reductions in utilities and fuel 12% (£36k). The net figure is shown in the table. There is quite a lot of uncertainty about the costs of some goods and services in 2021/22.

5. Arboriculture - It was agreed at Cabinet in June 2019 that £240k of the surplus from 2018/19 would be returned to SLHD to be spent on Arboriculture, this funding has been split over three years to enable DMBC to be able to deliver the work.

6. Building Safety Manager - estimated cost based on two posts at £60k basic salary plus oncosts. The Government has published a draft building safety bill which is expected to become an Act during 2021, there are a number of statutory requirements within it and one of those is the establishment of the role of building safety manager.

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

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HRA Budget Report

| | | |
|---|---|---|
| 1 | <p>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.</p> | <p>HOUSING REVENUE ACCOUNT BUDGET 2021/22 The Impact of Increasing Dwelling Rents for the Council’s Housing Stock.</p> <p>Doncaster Council is landlord to 20,365 properties of which 20,089 are socially rented and 276 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 2021/22 the rent increase will be 1.5% for all tenants meaning that the average rent will be £72.89 per week.</p> <p>This due regard statement seeks to identify those groups noted in the protected characteristics (section 3) that may be affected positively or negatively by the increasing of rents and sets out the measures to mitigate the impact on those groups. The rent increase of 1.5% will be applied to all tenancies irrespective of the tenant.</p> |
| 2 | <p>Service area responsible for completing this statement.</p> | <p>St Leger Homes of Doncaster.</p> |
| 3 | <p>Summary of the information considered across the protected groups.</p> <p>Service users/residents</p> <p>Doncaster Workforce</p> | <p>Age The rent increase of 1.5% will apply to all tenancies, regardless of the resident’s age. However, other specific welfare reform measures may have an impact as a result of the age of the tenant , these are as follows;</p> <p>Social Sector Size Criteria (bedroom tax); Introduced 1st April, 2013, this welfare reform only applies to working age households and currently affects 1,463 tenants who are claiming Housing Benefit*. 1,143 tenants have to make up a 14% shortfall for their rent and 320 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.</p> <p>*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</p> |

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 74 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 all new claims from working age tenants for any of the 6 former benefits (Job Seeker's Allowance, Employment and Support Allowance, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit) will automatically go onto Universal Credit and these former benefits will be closed to new claims. In January 2019 the total number of cases claiming UC was 2,826. By January 2020 the number of tenants claiming UC now stands at 6,300 cases, an increase of 3,474.

As at January 2021, there are approximately 34% pension age tenants and 66% working age

Disability

Out of the main tenants on our housing management system, 6,617 have identified as disabled – which equates to 33%.

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.

| | |
|--|--|
| | <p>Ethnicity 16,105 of our tenants identify as White British – which equates to 80%. 1,343 (7%) identify as belonging to black, Asian or minority ethnic groups. Information is not currently available for the remaining tenants. 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.</p> <p>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. 12,667 of our tenants have identified as Female (64%) and 7,191 (36%) as Male.</p> <p>Sexual Orientation It is not anticipated that the increase in rents will adversely affect individuals based on their sexual orientation.</p> <p>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.</p> <p>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.</p> <p>Gender Reassignment It is not anticipated that the increase in rents will adversely affect individuals who have undergone gender reassignment.</p> |
|--|--|

| | | |
|---|---|---|
| | | <p>Marriage and Civil Partnership</p> <p>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.</p> |
| 4 | <p>Summary of the consultation/engagement activities</p> | <p>Directors, Cabinet and Members have been consulted at meetings between October 2020 and February 2021; this included Labour Group, Overview & Scrutiny Management Committee (OSMC) and representatives from other parties.</p> <p>The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with members of the Tenants and Residents Involvement Panel (TRIP), SLHD Tenant Board Members and representatives from Tenants and Residents Associations (TARAs) on 25th January 2021. Views were also sought from a further 93 tenants via a survey.</p> <p>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.</p> <p>Tenants are happy with the condition of their homes and the services that they receive, they could not identify any service improvements or investment needs which were not being met by the proposed budgets. They are keen to be involved in further consultation about the standard of homes going forward.</p> <p>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.</p> <p>SLHD consult with their staff and unions on the proposals within the HRA budget that directly affect them.</p> <p>Once a decision has been made by Council on 1st March 2021, a letter will be sent to all Council tenants, which will give details of the rent change with effect from 5th April 2021.</p> |

| | | |
|----------|--|---|
| | | |
| 5 | Real Consideration: Summary of what the evidence shows and how has it been used | <p>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”.</p> <p>SLHD have a tenancy sustainment team to help assist tenants in financial difficulties and to help to sustain tenancies. This team was reconfigured and significantly strengthened to 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.</p> <p>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.</p> |
| 6 | Decision Making | <p>This due regard statement has been made available to Members in advance of making any decisions on rent increases. The HRA Budget 2021/22 report to Council on 1st March 2021 asks the Council to agree the rent increase for the 2021/22 financial year with effect from 5th April 2021.</p> |
| 7 | Monitoring and Review | <p>The HRA budget is monitored on a quarterly basis by Cabinet, performance information for SLHD is monitored every 3 months by Cabinet and includes information on rent arrears. SLHD management team and Board monitor performance on a regular basis and there is a focus on rent arrears as a result of the recent welfare reform changes. Financial assistance is offered to all tenants who are in rent arrears, the number of evictions due to rent arrears is also monitored in detail to identify if any trends are emerging.</p> |
| 8 | Sign off and approval for publication | <p>Julie Crook, Director of Corporate Services, St Leger Homes of Doncaster.</p> |

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