

# Public Document Pack



**North East  
Derbyshire**  
District Council

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Date: Friday, 24 February 2023

To: **All Members of the Council**

You are summoned to attend a meeting of the Council to be held on **Monday, 6 March 2023 at 3.00 pm** in the District Council Offices, Mill Lane, Wingerworth, Chesterfield S42 6NG

Group meetings will be arranged, where necessary, by the Group Leaders.

The meeting will also be live streamed from the Council's website on its You Tube Channel. Click on the following link if you want to view the meeting:

[North East Derbyshire District Council - YouTube](#)

Yours sincerely

A handwritten signature in black ink that reads "Sarah Steuberg".

Assistant Director of Governance and Monitoring Officer

# **A G E N D A**

**1     Apologies for Absence**

**2     Declarations of Interest**

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interests, not already on their register of interests, in any items on the agenda and withdraw from the meeting at the appropriate time.

**3     Minutes of Last Meeting (Pages 8 - 16)**

To approve as a correct record and the Chair to sign the attached Minutes of the Council meeting held on 30 January 2023.

**4     Chair's Announcements**

Councillor D Ruff, Chair of the Council.

**5     Leader's Announcements**

Councillor A Dale, Leader of the Council.

**6     Talent Pipeline - Presentation (Pages 17 - 36)**

Managing Director and Head of Paid Service

**7     Level of Council Tax 2023-24 (Pages 37 - 43)**

Report of Councillor J Kenyon, Portfolio Holder for Economy, Transformation and Climate Change.

**8     Auditors Annual Report 2021-22 (Pages 44 - 70)**

Report of Councillor J Kenyon, Portfolio Holder for Economy, Transformation and Climate Change.

**9     Pay Policy Statement - REVISED VERSION NOW PUBLISHED (Pages 71 - 80)**

Managing Director and Head of Paid Service.

**10    Members Allowances - NOW PUBLISHED (Pages 81 - 84)**

Report of the Assistant Director of Governance and Monitoring Officer.

**11    Public Participation**

In accordance with Council Procedure Rule No 8 to allow members of the public to ask questions about the Council's activities for a period up to fifteen minutes. The replies to any such questions will be given by the appropriate Cabinet

Member. Questions must be received in writing or by email to the Monitoring Officer by 12pm (Noon) twelve clear working days before the meeting.

No questions have been submitted under Procedure Rule No 8 for this meeting.

**12 To answer any questions from Members asked under Procedure Rule No 9.2**

In accordance with Council Procedure Rule No 9.2 to allow Members to ask questions about Council activities. The replies to any such questions will be given by the Chair of the Council or relevant Committee or the appropriate Cabinet Member. Questions must be received in writing or by email to the Monitoring Officer by 12pm (Noon) twelve clear working days before the meeting.

No questions have been submitted under Procedure Rule No 9.2 for this meeting.

**13 To consider any Motions from Members under Procedure Rule No 10**

In accordance with Council Procedure Rule No 10 to consider Motions on notice from Members. Motions must be received in writing or by email to the Monitoring Officer by 12pm (Noon) twelve clear working days before the meeting.

**Motion 'A'**

Proposed by Councillor P Windley

Council notes;

- Litter picking and street cleansing is within the remit of the District Council.
- Over the years, the frequency of litter picking and street cleansing in North East Derbyshire has declined.
- Because of this decline, Volunteers, Parish and Town Councils have been forced to take action themselves to try to combat the scourge of litter throughout the district.

Resolves;

- For the District Council to produce a plan on how to improve street cleansing and properly resource litter picking.
- To start a campaign to combat litter throughout North East Derbyshire.

**Motion 'B'**

Proposed by Councillor D Hancock

Council notes the introduction of Voter Identification for the Local Elections on 4th May 2023.

The Elections Act 2022 will require voters to present an approved form of Photo ID at a polling station in order to vote. Acceptable ID includes passports, driving

licenses, older persons bus passes and Voter Authority Certificates for those without an existing valid ID.

Council notes there is little evidence that voter fraud is a systemic issue in UK elections:

- In the 2019 General, Local, European and Mayoral Elections only 4 convictions resulting from allegations of in-person voter fraud – out of 58 million votes cast.
- In the 2021 Local Elections just one caution for election fraud was issued by the police.

Council fully agrees with the comments made by the Electoral Commission to the Government in September 2022 advising that the new rules could not “be delivered in a way which is fully secure, accessible and workable”, pointing out that 7.5% of voters do not currently hold an acceptable form of ID and over 1000 voters were denied the opportunity to vote during Voter ID trials in the 2018 and 2019 Local Elections.

Council is deeply concerned that the requirement to provide Photo ID will present a significant barrier for thousands of residents in North East Derbyshire to exercise their right to vote.

Council notes the acceptable forms of ID listed by the Government are weighted towards more affluent and older voters who are more likely to possess passports, driving licenses, older persons bus passes and senior PASS cards. Forms of photo ID most likely to be held by younger people (such as young persons railcards) have been excluded.

Council believes the rushed and last-minute timeframe in which this legislation has been enacted has put an enormous strain on staff and resources at North East Derbyshire District Council to communicate the new rules to voters, provide Voter Authority Certificates to thousands of local residents and training polling station staff in the lead up to the 2023 Local Elections.

Council instructs the Managing Director, the Leader of the Council and other group leaders to write to the Cabinet Office to express the Council’s complete opposition about the damaging effect on democracy that mandatory Voter ID will have in UK elections and to demand that this section of the new legislation is repealed immediately.

### **Motion ‘C’**

Proposed by Councillor R Shipman

Council notes;

One group can currently hold all committee chairs when there is a simple majority elected on the Council.



Council believes;

No party should have all the chair positions on every committee, and that they should be distributed on a fair basis.

Council resolves;

To introduce a system to appoint committee chairs on the basis of proportionality of all elected members.

To enshrine the new system in the Councils constitution.

See attached example;

Chairs of Standing Committees = 7 (4 Scrutiny, Planning, Licensing and Standards)

If all 4 parties are included, this is:

Conservative -  $26/53 \times 7 = 3.43$  rounded down to 3

Labour –  $18/53 \times 7 = 2.38$  rounded down to 2

Independents –  $6/53 \times 7 = 0.79$  rounded up to 1

Lib Dems –  $3/53 \times 7 = 0.4$  rounded up to 1

It will be the same figures for Vice Chairs.

#### **14 Chair's Urgent Business (Public)**

To consider any other matter which the Chair is of the opinion should be considered as a matter of urgency.

#### **15 Exclusion of the Public**

The Chair to move:-

That the public be excluded from the meeting during the discussion of the following item(s) of business to avoid the disclosure to them of exempt information as defined in Paragraphs 1 and 2, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006).

#### **16 Councillor Dispensation (Pages 85 - 88)**

Report of the Assistant Director of Governance and Monitoring Officer.  
(Paragraphs 1 & 2)

#### **17 Chair's Urgent Business (Private)**

To consider any other matter which the Chair is of the opinion should be considered as a matter of urgency.



## North East Derbyshire District Council

### Access for All statement

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## **COUNCIL**

### **MINUTES OF MEETING HELD ON MONDAY, 30 JANUARY 2023**

#### **Present:**

Councillor Diana Ruff (Chair) (in the Chair)  
Councillor Martin E Thacker MBE JP (Vice-Chair)

Councillor William Armitage	Councillor Nigel Barker
Councillor Jayne Barry	Councillor Joseph Birkin
Councillor Stephen Clough	Councillor Andrew Cooper
Councillor Suzy Cornwell	Councillor Charlotte Cupit
Councillor Alex Dale	Councillor Lilian Deighton
Councillor David Drabble	Councillor Peter Elliott
Councillor Michelle Emmens	Councillor Angelique Foster
Councillor Mark Foster	Councillor John Funnell
Councillor Kevin Gillott	Councillor Roger Hall
Councillor David Hancock	Councillor Lee Hartshorne
Councillor Anthony Hutchinson	Councillor Maggie Jones
Councillor Jeremy Kenyon	Councillor Pat Kerry
Councillor Tony Lacey	Councillor Barry Lewis
Councillor Heather Liggett	Councillor Jeff Lilley
Councillor Gerry Morley	Councillor Paul Parkin
Councillor Stephen Pickering	Councillor Alex Platts
Councillor Maureen Potts	Councillor Alan Powell
Councillor Tracy Reader	Councillor Carolyn Renwick
Councillor Michael Roe	Councillor Kathy Rouse
Councillor Ross Shipman	Councillor Bentley Strafford-Stephenson
Councillor Kevin Tait	Councillor Richard Welton
Councillor Brian Wright	Councillor Philip Wright

#### **Also Present:**

M Broughton	Director of Growth and Assets
J Dethick	Director of Finance and Resources & (Section 151 Officer)
L Hickin	Managing Director - Head of Paid Service
S Sternberg	Assistant Director of Governance and Monitoring Officer
C Terry	Environmental Health Team Manager (Licensing)
J Wragg	Communications Officer
T Hickin	Communications Officer
A Bond	Governance Officer
T Scott	Governance and Scrutiny Officer
M E Derbyshire	Members ICT & Training Officer
J Taylor	Personal Assistant
A Maher	Interim Governance Manager

#### **COU Former Councillor Dorothy Ward**

**/64/2**

**2-23** With the permission of the Chair, Councillors M E Thacker MBE and N Barker paid their respects to former Councillor Dorothy Ward, who had died recently.

On behalf of the Conservative Group, Councillor M E Thacker MBE extended his sincere sympathy to former Councillor D Ward's family and friends.

Councillor M E Thacker highlighted her 31 years of service to the Council, having first been elected in 1976 and serving until 1987 and then again between 1991 and 2011. During this time she served as Chair of the Council for the 1997-1998 Municipal Year, as a Cabinet Member and as Chair of the Planning Committee. Councillor Thacker MBE drew attention to her work fundraising for Macmillan Cancer Centre, while she served as consort for Councillor Ann Holmes during 2015-16.

The Leader of the Labour Group, Councillor N Barker, thanked Councillor M E Thacker MBE for his tribute. N Barker then expressed his own condolences to friends and family of Councillor D Ward on behalf of the Labour Group. Councillor Barker informed Council that Councillor D Ward had been a model community Councillor, who had championed the North Wingfield Central Ward and been instrumental in establishing the local Community Association. He reflected on her long years of service and commitment to the Labour Party and informed Members that she had received an award for being a Member of the Labour Party for over 50 years. Councillor

**COU     Apologies for Absence**

**/65/2**

**2-23**     Apologies for absence had been received from Councillors P Antcliff, O Gomez Reaney, B Hill, J Ridgway, L Stone, P Wheelhouse and P Windley.

**COU     Declarations of Interest**

**/66/2**

**2-23**     Councillors D Ruff, M E Thacker MBE, S Clough, R Welton declared a Pecuniary Interest in Item 6 on the Agenda - Medium Term Financial Plan 2022/23 – 2026/27, Housing Revenue Account as Members of the Board of Rykneld Homes Limited. They indicated that they would leave at the appropriate and would not participate in Council's consideration or determination on this aspect of the Item.

Councillors J Lilley, S Pickering and W Armitage declared an interest Item 6 on the Agenda – Medium Term Financial Plan 2022/23 – 2026/27, Housing Revenue Account as tenants of Rykneld Homes Limited (RHL). They indicated that they would participate in Council's consideration or determination on this aspect of the Item.

**COU     Minutes of the Last Meeting**

**/67/2**

**2-23**     RESOLVED – That the Minutes of the meeting held on Monday, 28 November 2022 were approved as a true and accurate record.

**COU     Chair's Announcements**

**/68/2**

**2-23**     The Chair of the Council, Councillor D Ruff, informed Members that a memorial service for the Late Queen would be held on Sunday 5 February 2023 and that all Members were welcome to attend. The Chair also informed

Council of her upcoming race night to raise funds for her Charity, the Soldiers, Sailors and Airforce Families Association (SSAFA). She thanked Councillor H Liggett for her work in helping to organise this.

**RESOLVED** – That Council noted the announcements of the Chair of the Council, Councillor D Ruff (by acclamation).

**COU     Leader's Announcements**

**/69/2**

**2-23**

The Leader of the Council, Councillor A Dale, highlighted the Council's commitment to support all of the District's residents through the Cost of Living Crisis. As part of this he explained that membership fees at the Council's Leisure Centres had been frozen in order to help them.

Councillor A Dale explained that the Council's bid for Levelling Up fund grant aid had not been successful. However, the important work which had gone into producing the Eckington Masterplan would be invaluable in helping the Council to prepare a further bid to the Fund in the future. He also reminded Members about the Council's successes when applying for grant aid and in particular, how over £30 million had been secured in order to improve the District's town centres, make Council houses warmer and greener and to improve the energy efficiency of the Council's leisure centres.

Councillor A Dale informed Members that Council was committed to working alongside the Eckington Parish Council to help progress plans for a destination park at Lansbury, and had already committed £2,000 towards this.

Members were also informed that round two of funding for the UK Shared Prosperity Quality Parks and Play Areas scheme had opened and that all Parish Councils would eligible to apply.

The Leader of the Council praised the hard work of the Environmental Health and Street Scene teams and highlighted work that they had carried out on fly tipping. Members heard that fly tipping reports were down 20% when compared with 2019.

**RESOLVED** – That Council noted the announcements of the Leader of the Council, Councillor A Dale (by acclamation).

**COU     Medium Term Financial Plan 2022/23 - 2026/27**

**/70/2**

**2-23**

The report to Council that sought approval for the current budget for 2022/23 and original budget for 2023/24 for the General Fund, Housing Revenue Account and Capital Programme, as part of the Council's Medium Term Financial Plan covering the years 2022/23 to 2026/27.

Members were informed that Cabinet considered and endorsed the proposals at its meeting on 26 January 2023. The recommendations from Cabinet were now referred to Council for consideration and approval.

The Chair agreed to consider the report recommendations in two parts. Council would consider recommendations 1-7 (relating to the General Fund)

followed by recommendations 8-13 (relating to the Housing Revenue Account).

Council was informed of the projected budget shortfall for the 2023-24 financial year and the reasons for this. Members also heard how it would be addressed by drawing on its Resilience Reserve, which would be replenished through savings to be identified and achieved during the year. The report also explained that current projections suggested that the further use of the Resilience Reserve would not be required in the future years covered by the MTFP.

The Portfolio Holder for Economy, Transformation and Climate Change, Councillor J Kenyon, explained that through effective financial management the Council was in a better position than many other local authorities, despite the impact of Inflation, the Covid Pandemic and the energy crisis. Members heard that because of this effective financial management the Council would not need to make large cuts to its budgets over the life of the Plan. Councillor J Kenyon thanked the Director of Finance and Resources and her team for their contribution to this.

Councillor J Kenyon and Councillor A Dale moved and seconded a Motion that Council approve recommendations 1-8 of the report. Councillor A Dale reserved his right to speak.

Councillors N Barker and J Funnell gave thanks to the Director of Finance & Resources and their team for their work on this during a difficult period.

Councillors N Barker, R Shipman and J Funnell spoke against the Motion. They queried the use of the Resilience Reserve to meet the projected shortfall and contended that the Plan did not identify the permanent financial reductions required to balance the budget. In this context Councillor J Funnell highlighted the cost to the Council of Planning Appeals. Concerns were also raised that Rykneld Homes Ltd (RHL) had not been given the option to make additional budget savings rather than have to impose higher rent increases on tenants. The Leader of the Council, Councillor A Dale contested this.

The Leader of the Council, Councillor A Dale, highlighted the Council's successful financial management which had enabled it to protect services and to minimise the impact on residents. In this context he reminded Members that the proposed increase in the Council Tax of 2.99% would be well below the level of inflation.

Councillor A Dale explained how the Resilience Reserve had been established to help the Council to meet such financial shortfalls. He highlighted the ways in which it differed from other reserves held by the Council.

Councillor A Dale signified his support for the Council's Planning Committee and believed it was vital that if Committee made a decision to oppose an application, the Council should be prepared to support this.

Councillor J Barry raised concerns over terms used by the Leader of the

Council in his comments.

The Portfolio Holder for Economy, Transformation and Climate Change, Councillor J Kenyon emphasised the fact that a 2.99% rise would equate to a 5% cut in real terms. He also drew Members attention to the various cost cutting measures which the Council had taken such as; a reduction in energy use, team restructuring and, procurement. He reminded Members that the use of the Resilience Reserve in this way would not have to be repeated in future years

At the conclusion of the discussion the motion to approve recommendations 1-7 of the report was put to the vote. As required by law this was taken as a recorded vote. The motion was approved.

For: 26

Councillors P Wright, R Welton, M Thacker MBE JP, K Tait, B Strafford-Stephenson, D Ruff, M Roe, C Renwick, A Powell, M Potts, A Platts, H Liggett, B Lewis, J Kenyon, A Hutchinson, R Hall, M Foster, A Foster, M Emmens, P Elliott, D Drabble, L Deighton, A Dale, C Cupit, S Clough, W Armitage

Against: 5

Councillors R Shipman, K Rouse, D Hancock, J Funnell, A Cooper

Abstentions: 14

Councillors B Wright, T Reader, S Pickering, G Morley, J Lilley, T Lacey, P R Kerry, M Jones, L Hartshorne, K Gillott, S Cornwell, J Birkin, J Barry, N Barker

RESOLVED – That:

- (1) The view of the Director of Finance & Resources, that the estimates included in the Medium Term Financial Plan 2022/23 to 2026/27 are robust and that the level of financial reserves are adequate at this time, be accepted.
- (2) Officers report back to Cabinet and the Audit and Corporate Governance Scrutiny Committee on a quarterly basis regarding the overall position in respect of the Council's budgets.
- (3) A Council Tax increase of £5.93 will be levied in respect of a notional Band D property (2.99%).
- (4) The Medium Term Financial Plan in respect of the General Fund as set out in the report to Cabinet (Appendix 1) be approved as the Current Budget 2022/23, as the Original Budget 2023/24, and as the financial projections in respect of 2024/25 to 2026/27.
- (5) The shortfall in the General Fund budget for 2023/24 as set out in Appendix 1 be met from the resilience reserve.
- (6) The General Fund Capital Programme be approved as the Current Budget in respect of 2022/23, and as the Approved Programme for

2023/24 to 2026/27.

- (7) Any under spend in respect of 2022/23 be transferred to the Resilience Reserve to provide increased financial resilience for future years of the plan.

The Chair of the Council indicated that she intended to leave the meeting for the remainder of the item dealing with the Housing Revenue Account as she had a Disclosable Pecuniary Interest. By acclamation Councillor B Lewis took the Chair.

Councillors D Ruff, M E Thacker MBE, S Clough, R Welton left the room for the remainder of the discussion on Item 6; Medium Term Financial Plan, as they were Board Members for RHL.

The Portfolio Holder for Economy, Transformation and Climate Change, Councillor J Kenyon reminded Members that the proposed rise of 5% for Council rents was below the 7% Government limit, which would help to limit the additional burden on tenants. It would also enable much needed investment to help improve the housing stock and to make it more energy efficient. He also highlighted that the rents charged would remain well below to those charged by other landlords.

Councillors D Hancock, N Barker and R Shipman spoke against the recommendations, they suggested that a rise of 5% on rents would hit residents at a time when other bills were also increasing. They indicated that a 4% increase might be more appropriate

Councillors B Lewis and A Dale spoke in favour of the recommendations, stating that the 5% rise in rents was necessary in order to provide resilience and allow for contingency. Councillor J Kenyon, reiterated that the proposed 5% increase was already a massive real term cut and that any less than this would equate to £1.6 million lost per administration.

Councillor J Kenyon and Councillor A Dale moved and seconded a motion to approve recommendations eight to 13 as set out in the report. The motion was put to the vote. As required by law this was taken as a recorded vote. The motion was tied. On the Temporary Chair's Casting Vote the motion was passed.

For: 20

Councillors P Wright, K Tait, B Trafford Stephenson, M Roe, C Renwick, A Powell, A Platts, H Liggett, B Lewis, J Kenyon, A Hutchinson, M Foster, A Foster, M Emmens, P Elliott, D Drabble, L Deighton, A Dale, C Cupit, W Armitage

Against: 20

Councillors B Wright, R Shipman, K Rouse, T Reader, M Potts, S Pickering, G Morley, J Lilley, T Lacey, P R Kerry, M Jones, L Hartshorne, D Hancock, K Gillott, J Funnell, S Cornwell, A Cooper, J Birkin, J Barry, N Barker

Abstentions: 1



Councillor R Hall

**RESOLVED** – That:

- (1) Council sets its rents levels for 2023/24 by increasing rents by 5% from 1st April 2023.
- (2) All other charges be implemented in line with the table shown in Appendix 1 with effect from 1 April 2023.
- (3) The Medium Term Financial Plan in respect of the Housing Revenue Account as set out in the report to Cabinet (Appendix 1) be approved as the Current Budget in respect of 2022/23, as the Original Budget in respect of 2023/24, and the financial projection in respect of 2024/25 to 2026/27.
- (4) The HRA Capital Programme be approved as the Current Budget in respect of 2022/23, and as the Approved Programme for 2023/24 to 2026/27.
- (5) The Management Fee for undertaking housing services at £10.612m and the Management Fee for undertaking capital works at £1.1m to Rykneld Homes in respect of 2023/24 be approved.
- (6) Members endorse the section in the current Financial protocol which enables the Council to pay temporary cash advances to Rykneld Homes in excess of the management Fee in order to help meet the cash flow requirements of the company should unforeseen circumstances arise in any particular month.
- (7) Members note the requirements to provide Rykneld Homes with a 'letter of comfort' to the company's auditors and grant delegated authority to the Council's Assistant Director – Finance & Resources in consultation with the Portfolio Member for Finance to agree the contents of that letter.

**COU     Treasury Strategy Reports 2023/24 -2026/27**

**/71/2**

**2-23**

Councillors D Ruff, M E Thacker MBE, S Clough and R Welton returned to the room.

The Portfolio Holder for Economy, Transformation & Climate Change, Councillor J Kenyon, presented a report to Council that provided Council with the necessary information in order to approve the Council's suite of Treasury Strategies for 2023/24 to 2026/27. He highlighted that no new borrowing was planned for 2023/24 and over the previous year, total borrowing had reduced by £2.2 million and was now £147 million. This figure would rise slightly in future years to support investments such as Sharley Park and Whiteleas but would be slightly less in four years' time due to inflation reducing from current levels.

Councillor R Shipman queried whether more could be done to increase the rate of return on the Council's investments

Councillor J Kenyon responded that it was important to remain cautious with public money as other Councils had made some unwise investments in the past.

Councillor J Kenyon and Councillor A Dale moved and seconded the recommendations as contained within the report. The motion was put to the vote and was approved by acclamation.

**RESOLVED** – That:

- 1) Council approve the Treasury management Strategy at Appendix 1 and in particular:
  - a. Approve the Borrowing Strategy
  - b. Approve the Investment Strategy
  - c. Approve the use of the external treasury management advisor Counterparty Weekly List (or similar) to determine the latest assessment of the counterparties that meet the Council's criteria before any investment is undertaken.
  - d. Approve the Prudential Indicators
- 2) Council approve the Capital Strategy as set out in Appendix 2 and in particular:
  - a. Approve the Capital Financing Requirement
  - b. Approve the Minimum Revenue Provision Statement for 2023/24
  - c. Approve the Prudential Indicators for 2023/24, in particular:
    - i. Authorised Borrowing Limit of £217.5m
    - ii. Operational Boundary of £212.5m
    - iii. Capital Financing Requirement of £207.5m
- 3) Council approve the Investment Strategy as set out in Appendix 3.
- 4) That Council approve the Flexible Use of Capital Receipts Strategy at Appendix 4

**COU  
172/2  
2-23**

**Review of the Council's Policy under the Gambling Act 2005**

The Portfolio Holder for Council Services, Councillor M Foster, presented Council with a report that invited Council to adopt the revised draft Gambling Act 2005 Statement of Licensing Principles together with the draft Gambling Act 2005 Local Area profile.

Council was informed that in 2018 an extensive review had been undertaken in order to ensure that the Council's Policy was consistent with the Gambling Commission's guidance. The Joint Environmental Health Service conducted an initial review of the Policy and the Local Area Profile (LAP), and identified a number of minor amendments necessary to bring the Policy up to date with the GLA and local demographics.

Following a lengthy public consultation and member scrutiny, a recommendation has now been made to Council for them to adopt the revised policy.

Councillor M Foster proposed and Councillor H Liggett seconded a motion to approve the recommendations as set out in the report. The motion was put to a vote and was approved by acclamation.

**RESOLVED** – That:

- 1) Council approve the recommendations from the Licensing and Gambling Act Committee that the final draft Gambling Act 2005: Statement of Principles and Local Area profile be adopted to take effect on 13<sup>th</sup> March 2023.
- 2) Council require the Joint Assistant Director – Environmental Health to follow the formal process to adopt the final draft Gambling Act 2005: Statement of Principles and Local Area Profile.

**COU     Public Participation**

**/73/2**

**2-23**     There were no questions from the public.

**COU     To answer any questions from Members asked under Procedure Rule No 9.2**

**/74/2**

**2-23**     No questions were submitted.

**COU     To consider any Motions from Members under Procedure Rule No 10**

**/75/2**

**2-23**     Motion A – Councillor Barker

Councillor N Barker withdrew his motion.

**COU     Chair's Urgent Business**

**/76/2**

**2-23**     There was no urgent business.



North East  
Derbyshire  
District Council

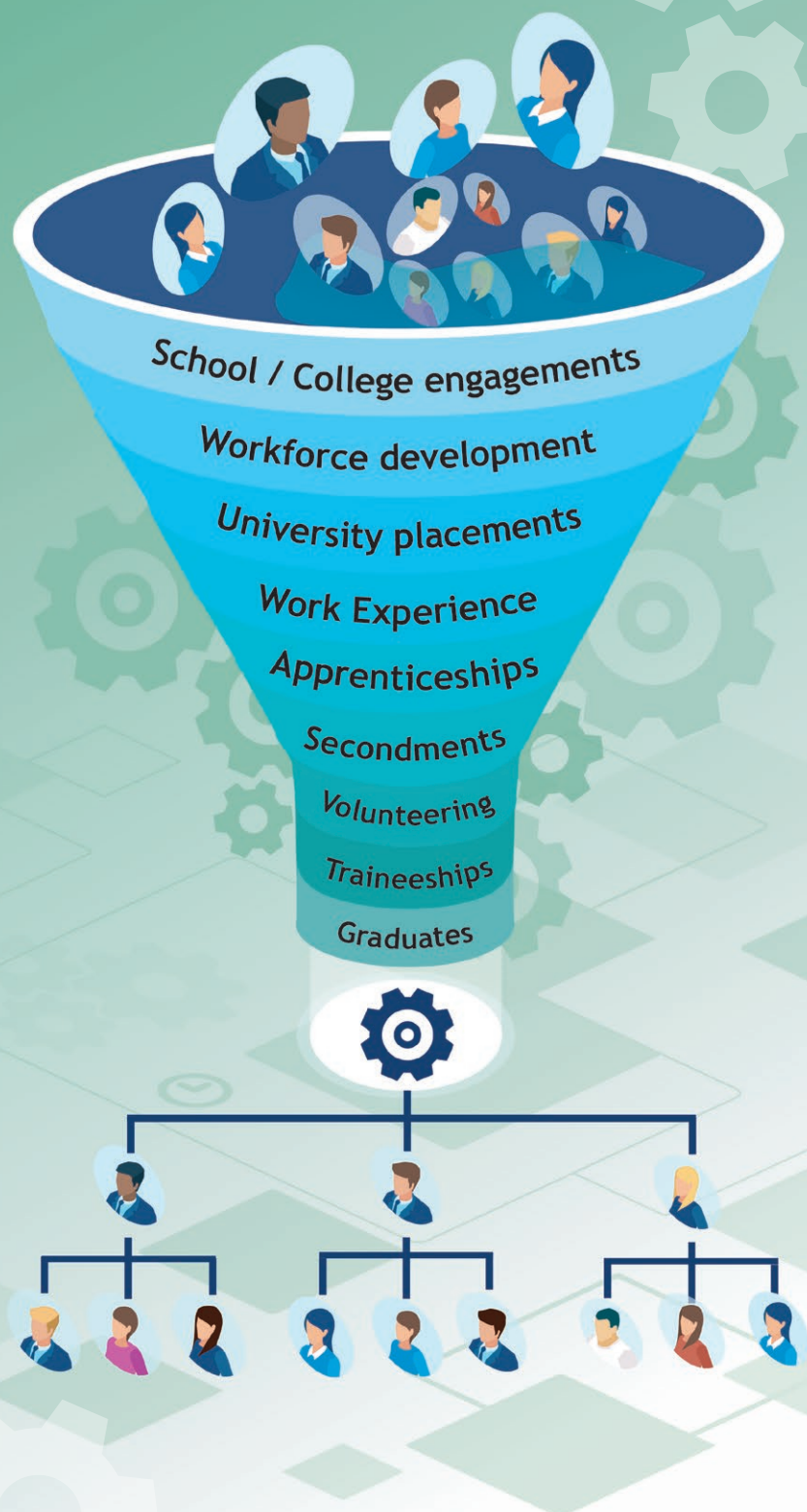
# Talent Pipeline Strategy 2023

*Growing our people and  
future proofing our organisation*



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# Introduction

Continual organisational improvement relies upon the organisations capacity and ability to lead, manage and develop its single most important resource - its people. NEDDC is an organisation who truly believe this, its strong people centric culture forms the sub-structure upon which everything else is built.

As an organisation we embrace innovation, creativity, new ideas and new ways of working to ensure our council reaches a sustainable position. We challenge functional barriers, encourage, coach and empower our colleagues to engage, develop talent from within, harvest ideas and energy from within, create an environment where people want to be successful and take ownership and most importantly - be ONE TEAM.

The past couple of years however, have been a time of great change and challenge. The Coronavirus outbreak in particular has disrupted the Council and wider communities with the organisation facing many pressures and challenges along with the many threats and opportunities in terms of returning to normal.

To some degree the coronavirus pandemic has fast tracked changes to the Council's usual working practices - changes that have come about in a matter of weeks that may otherwise have taken years to have happened. The Council along with many other organisations moved rapidly to a virtual and remote working environment with a reassuring demonstration of adaptability, versatility and flexibility.

The Council recognised that these changes brought about by adversity, could become part of the Councils operating framework into the future - to that end, in March 2021, the Council adopted its Agile Working

Policy. Since the adoption of the policy, the Council is now able to cast a much wider net in terms of recruitment whilst recognising the value in terms of employee retention too. Whilst the Agile Working policy does improve the organisations recruitment and retention potential, it has been adopted at a time when there appears to be a growing shortage of available applicants both locally and further afield.

The pandemic has undoubtedly transformed the way we work, COVID-19 along with other factors, is however continuing to transform the profile of the workforce too. Record numbers of people in the U.K. have quit their jobs and those who are unemployed are taking longer to return to work or take up employment. This phenomena creates a challenge for all businesses and organisations across all sectors.

The ONE TEAM culture at NEDDC provides a great platform to be further built upon, improving our capacity and ability to attract, develop and retain our most precious of assets. An emphasis on the creation of an environment where people can and want to be successful, along with a 'continued employee growth' and 'grow your own' corporate mind-set will be key - our USP!



# Workforce profile and planning

Against a challenging backdrop, the Council are striving to deliver the commitments made in its Council Plan adopted on 9th September 2019. The challenge remains to ensure we have the capacity to deliver such an ambitious plan including the many and varied associated projects - some of which are of a scale seen only once in a generation.

It's good to know where you want to 'go' or 'get to' organisationally, having set out our goals and business needs, it is important that we know about our workforce and what might need to change to help us achieve those goals - after all, our employees are the ones that will get us to where we want to go.

The point of workforce planning is to maintain proper staffing levels so that critical competencies are fulfilled, succession is well-managed, costs optimised, agility is achieved and resiliency is retained. These objectives are achievable when the supply and demand of employees and skills are identified and forecasted accurately and in a timely manner. Through workforce planning, we are attempting to incorporate adjustments for 'known' workforce changes such as; retiring employees, an ageing workforce and skills gaps for example.

Good workforce planning will ensure; a clear and concise strategic workforce direction, all workforce requirements are aligned directly to the achievement of the Council's objectives, informed decisions of how to structure and deploy the workforce and the ability to overcome barriers to achieving strategic workforce goals.

Along with the numbers of people, there is the need for these being the right people with the right skills. The organisation will not develop without the right level of training and development taking place. The world moves much more quickly these days, the workforce must be constantly trained and re-trained as part of the workforce planning process.

The current workforce profile at North East Derbyshire District Council does present future challenges, knowing this however places the organisation in a much stronger position. We know that almost half the workforce is over 50 and almost another quarter over 40 for example, we know that in some areas of the organisation, almost entire teams are the same age too - these examples present considerable future challenges, however these are issues that we recognise and therefore through our workforce planning processes, we can plan for.



# What do we mean by a Talent Pipeline?

Our Talent Pipeline Strategy is one strand of our over-arching People Strategy. It is very much anchored to our 'continued employee growth' and 'grow your own' corporate mind-set, a mind-set that understands that investing time and effort into a gradual and proactive approach to recruitment and retention is not a 'quick win' but a very valuable and rewarding endeavour.

Perhaps traditionally, the recruitment process and getting people into posts has often been reactive - a post becomes vacant and we recruit. Perhaps also traditionally, the labour market has been more robust with each vacancy advertisement attracting any number of likely candidates. As we have acknowledged already, the world is a very different place these days with organisations seemingly competing evermore for the same decreasing pool of people.

Like most things though, the greatest rewards often take the greatest effort to attain. Our goal is not just about having people in posts, it's about having the 'right' people in posts, people who have a sense of loyalty and pride in what they do and what they are achieving or might wish to achieve - it's about the creation of an environment where people can be and want to be successful as part of our organisation and the delivery of services that we provide to our communities.

In essence a talent pipeline is a multi-stream mechanism within which a cohort of candidates are engaged, supported and developed with the intention of filling future roles that might open up within the organisation or elsewhere. The mechanism is both inward and outward facing, providing new opportunities and attracting new people to the organisation whilst creating development pathways for those already employed by the Council who might currently have un-tapped potential or who might simply be looking for a change in direction without having to leave in order to do so.

NEDDC is effectively many businesses all under one roof. We provide many services and undertake many functions, each business area with a plethora of roles, job types and specialisms - the ideal organisation you might say in terms of talent pipeline development, one that offers a very wide and diverse potential of opportunity to an equally wide and diverse range of people.

The creation of a talent pipeline is a visible investment in our existing employees, potential employees and the organisations future. An investment that might set us apart from others, further exhibit our ONE TEAM culture-shaping proactivity and recast the organisation as a truly strategic recruiter.



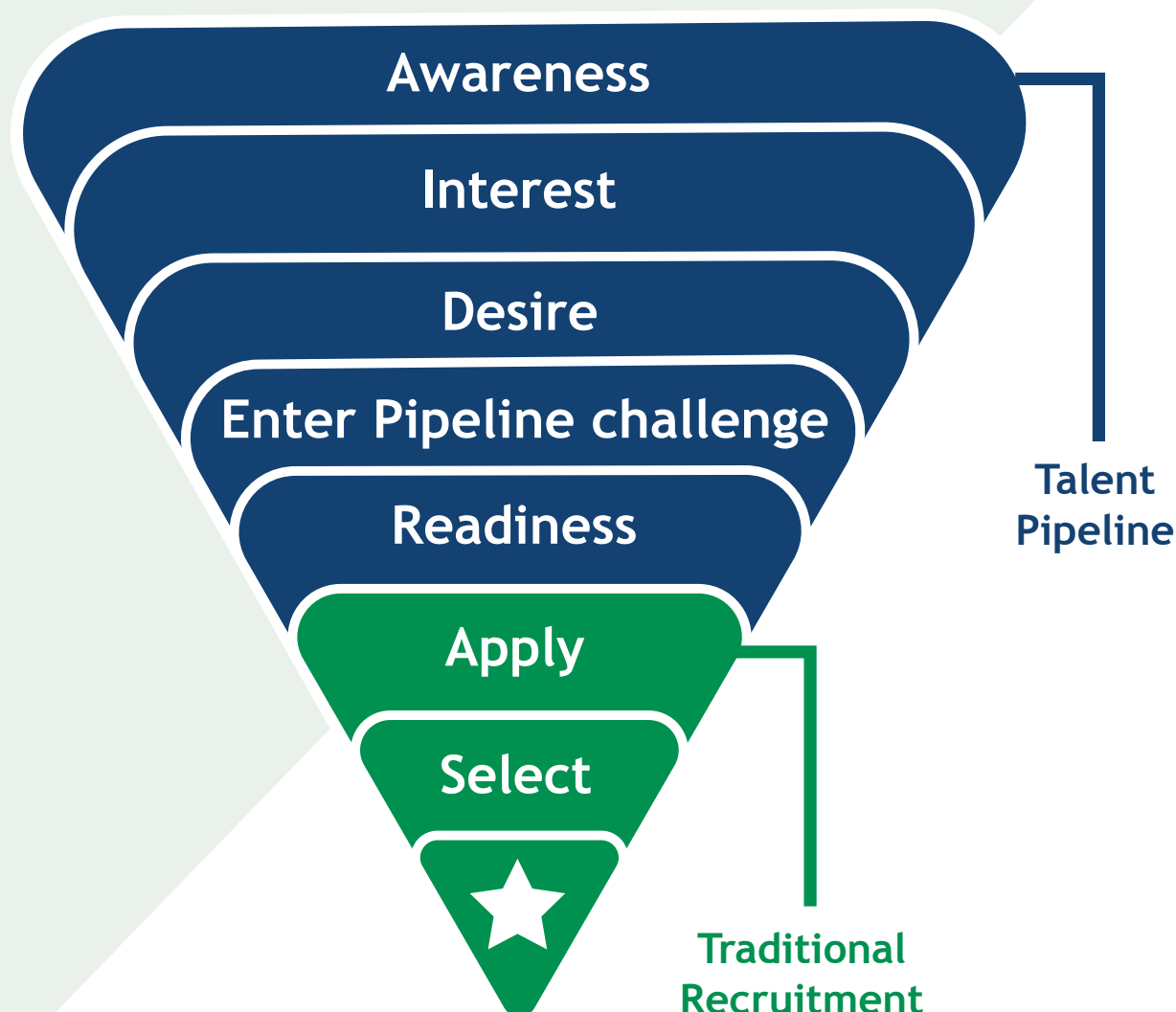
# What does it involve?

In building the talent pipeline, we are not only dealing with the 'here and now', we are considering our needs for the next 12 or 24 months and beyond - succession planning, future proofing, scanning the horizon and planning for the years ahead - we are sowing the seeds now for the rewards to be harvested later.

Our talent pipeline aims to create a pool of candidates who are ready to fill a position. These can be either our own employees or external people, all of whom could be at differing stages towards readiness for the said position - so these are prospects that we invest in, through a mechanism for 'growing our own' rather than relying

purely on the external market when a vacancy presents itself.

To have in place and fill an effective talent pipeline, it is important that the Council utilise many potential sources for people as part of its multiyear strategy - this includes starting early with students at school and colleges. Equally important are the mechanisms through which the potential sources of people are able to engage - the wider the reach, the greater the potential to engage with existing, latent or blossoming talent and the greater the chance of successfully identifying potential future employees.



## Volunteering

The value of volunteering is widely known and understood for the individual particularly in relation to volunteering for a worthy or charitable cause for example. However, volunteering in a workplace setting also has a number of key benefits for both the organisation and individuals - benefits that are enjoyed in a perhaps less binding arrangement.

It's a great way for the volunteer to gain practical experience, learn practical skills, an opportunity to get a flavour of an organisation or role in a not too committal way. An opportunity to work in a setting that already interests the volunteer or perhaps a role they would like to know more about. An opportunity to develop specific job-related skills along with more general skills and learning including; communication and team-working; line management and workplace dynamics - practical skills-building that might make the individual more desirable to prospective employers.

For the Council, it's a way to promote the organisation and the opportunities on offer within to potential future candidates. A less formal arrangement that has the flexibility to suit the capacity and needs of the business along with the availability of the candidate, perhaps creating a greater pool of potential talent than other channels which, for one reason or another, might prevent a future star employee being found.

## School / College engagement and work experience

When organisations such as the Council and other businesses work with young people, it can help them to build up a realistic picture of what the world looks like and what might be expected of them in the workplace environment. We have an important role to play in partnering with schools and colleges to raise ambition and achievement whilst identifying opportunities - we know from our own experience that opportunities within the Council and what we do is not well understood or even known about by many young people.

A clear identification of the skills, attributes and qualifications that our organisation wants can support preparation for work. NEDDC, working with the schools, can help pupils gain



confidence to compete in the labour market by providing opportunities to gain practical 'know-how' whilst developing an understanding of the behaviours that are required for employment. By providing young people with good quality work experience and becoming involved in career guidance, we can articulate the value of skills and knowledge developed at school and showcase potential careers opportunities open to them within our own organisation.

Activity such as this will help the young person decide the right career path, enable them to put theory-based learning into practice, help them build relationships, improve their chances of securing employment and improve their self-confidence, maturity and independence. For the Council, we further open up a potential pool of local candidates for future roles, provide opportunities to retain talent within the district and contribute to higher value jobs being provided for people who live in the district.

## Traineeship

A traineeship is an education, training and occupational learning programme for young people whose preference is to find an apprenticeship or job but who lack the skills, experience and perhaps behaviours sought by employers. They can last from 6 weeks up to 1 year, though most traineeships last for less than 6 months.

The benefits of a traineeship are similar to those brought about through work experience and volunteering but through a more structured mechanism involving greater depth and breadth over a longer and more consistent period of time. Unlike an apprenticeship, a traineeship is a programme of learning and skills development - it is not a job.

These are a great way to allow a young person to continue in learning with a work-

based programme of training designed as a 'bridge' into an apprenticeship or other employment. A traineeship will be focussed and provide a visible, attainable pathway to employment for those who might not yet be quite ready. CV writing, interview preparation, English, maths and digital skills are part of the programme - these elements along with a taste of the workplace are designed to improve the young person's overall employability.

For the Council, a traineeship allows the organisation to get to know and work with prospective future employees prior perhaps to recruiting apprentices. Through traineeship programmes the Council will also be helping to tackle youth unemployment and support economic recovery whilst developing our own talented workforce.

## T Levels

T levels are a 2 year qualification for 16-19 year olds that are an alternative to A levels and apprenticeships and are an equivalent to 3 A levels. Focusing on vocational skills, students have a work placement that lasts a minimum of 315 hours or approximately 45 days. The rest of the 2 year qualification is spent learning in the classroom. They are free to the employer however employers may choose to pay the student during their work experience placement.

T level courses that are currently available are: management and administration, digital business services, digital production, design and development and digital support services, accounting and finance. From September 2023, T levels will be available in legal services also.

Similar to the traineeship, T level courses allows the organisation to get to know and work with prospective future employees whilst providing the candidate with a recognised qualification.



## Apprenticeship

An apprenticeship is a genuine job with an accompanying assessment and skills development programme. It is a way for individuals to 'earn while they learn' gaining valuable skills and knowledge in a specific job role. Key differences between a traineeship and an apprenticeship are the pay and the length of time taken to complete. Apprenticeships take a minimum of 1 year, and up to 6 years to complete, apprentices are paid and there may be a job offer at the end.

A more extensive combination of on-the-job learning than that of the traineeship, with study for an academic qualification at the end. An apprentice is employed full-time while they study - a more attractive route for many over university, getting the apprentice the exact qualifications that they might need for the career path of their choice.

Apprentices can be employed at different levels, from school leavers and university graduates, to people who want to further their careers or change direction completely. An apprentice might be someone new to the Council or an existing employee being upskilled. A great mechanism to get people into employment or into another employment.

For the Council, hiring an apprentice can be a very productive and effective way to grow talent and develop a motivated, skilled and loyal workforce. Training can be adapted to match our business needs, apprenticeships can

reduce the risk of future recruitment and provide opportunities to retain talented employees well into the future.

## University placements / internships

A university student placement or internship is a structured work placement that provides hands-on experience in a professional environment. A placement / internship takes place over a set period of time - this could be a few months or a year. They are a great opportunity for the student to apply classroom learning without the pressure and responsibility of a permanent job.

A professional placement allows the student to try out a role or work type and decide if it is right for them. They will experience what a typical day is like and what opportunities there might be for career



progression for example - such placements can be an important step in establishing career goals. During placements, exposure to other areas of our business will of course happen, this could open the student's eyes to alternative career roles, helping them to find out what they do and don't want to do.

For the Council, hiring students on a placement or internship allows us to benefit from the knowledge they gain at university and can even help us to develop the skills of our existing staff. Students can bring new ideas, energy and enthusiasm backed by the latest skills and knowledge from their course. They will be keen to put their learning into practice and prove themselves in the world of work and perhaps help drive forward a project or provide access to specialists at university, or simply showcasing another of our previously unknown future star employees.

## Graduate scheme

A graduate scheme in an organisation can be the next logical step for any recent graduate who wants to get their career started within their chosen type of work. These can provide hands-on experience, broaden a graduates understanding of their chosen career path in a real-life setting and can give them a head start in the world of work.

The key difference between these and placements/internships is that graduate schemes are strictly reserved for recent graduates from university rather than a placement during a university course. These are structured training programmes that essentially gives graduates an entry-level job that also provides training, mentorship and opportunities to grow their skill sets.

For the Council, the benefits are broadly similar to that of an internship or placement but with a greater level of

permanency. The Council will benefit from having a freshly qualified team member ready to shape, but one with a fresh perspective. Early career graduates are keen to gain experience, knowledge and skills in order to increase their chances to progress.

Graduates are more likely to question the way things work and perhaps offer solutions, reflecting on their recent learning which will undoubtedly include industry best practice and the very latest thinking on a given topic.

Having a good graduate programme is a great way to introduce new talent to the Council, this will be good for our overall organisational health - investing time in our employees will help improve retention rates and the development of the Council as a whole. Graduates looking for jobs will be aware of the benefits of a graduate scheme and be more likely to explore what NEDDC has to offer them.

## Workforce development

The Council has an extensive workforce development programme which, in essence, is designed to ensure our employees receive both the necessary core corporate training whilst offering employees broader training opportunities and continuing education and learning programmes with the intention of maximising their job role success and career pathway opportunities along with a contribution to continual organisational improvement.

The 'core' corporate training programme includes the basic level of training required to meet our corporate standards of service delivery, including but not limited to; data protection, safeguarding, equalities, health and safety, sickness absence management and many more - much of this is mandatory. Beyond this though are service specific and/or personal



development training and education programmes including NVQ (national vocational qualification) or ILM (Institute of Leadership and Management) for example.

Organisations that overlook workforce development run the risk of poor organisational growth and progression and risk losing talent that might have been developed and retained otherwise. Offering a variety of training and education opportunities widens the scope of an individual's contribution to the organisation and keeps our people prepared for the future.

An effective workforce development programme positively contributes towards; job satisfaction, greater retention rates, better morale and productivity increases from a better skilled workforce. Through the Council's workforce development programme we are better placed to attract talented and motivated people who want to grow within our organisation and help grow the organisation in return.

## Secondments

Secondments can be a great tool when considering the Council's best use of resources, continued employee growth and growing our own ethos. Hidden skills, talents and passion can be unearthed that can contribute to both organisational and individual progression and benefit. In our case here at NEDDC, a secondment is the temporary placement of an employee to a different post or part of the organisation for a specific

purpose and period of time which brings about mutual benefit.

There can be any number of reasons why a secondment is a valuable process to have. Sometimes there will be a need to develop a particular skill that will benefit the team or sometimes, when an employee feels they need a change, rather than taking a leap into the outside world, a secondment could be an internal springboard to a new career - a secondment programme can help employees grow their skills and invigorate their careers without the need to leave the Council.

Other benefits of having a secondment process include; the ability to transfer resource, directing expertise where it's needed, supporting employee development and retention, developing and sharing skills and knowledge across the organisation and supporting the ONE TEAM approach and continuous service improvement across the Council.



## Leadership academy

Key to the Council's ONE TEAM culture is the understanding that we continually need to adopt and develop the right 'behaviours' throughout our organisation so that they shape the day to day decisions, harnessing ideas, energy, enthusiasm and 'buy in' from everyone within. We have to enrol everyone in the journey, inspire people to do this because they want to, coach them, build the skill sets, behaviours and approaches that are required to ensure future success - leadership at all levels.

The Council's Leadership Academy is a key feature of this approach which has been developed to enable the organisation to identify, support and develop future leaders of the organisation from within. We seek to identify high-potential employees from all levels and across the whole Council, and offer the opportunity to take part in the programme which includes; mentorships, leadership training and behaviours, coaching and project involvement designed to stretch and broaden existing capabilities.

The aim is not simply just to learn through theory, but to also provide opportunities to put their skills into practice through the planning and delivery of the Council's ongoing and ever-changing projects and programmes portfolio and within their own teams too. To provide skills and knowledge the individual may take into new leadership roles, exposure to other areas of the organisation raising their own profile and personal capital along with the opportunity to influence positive change.

For the Council, having a leadership academy in place assists in our endeavours to 'grow our own'. Participants of the programme will by the end have improved skills and knowledge along with the confidence to push to that next level in their career journey and hopefully secure leadership roles within the Council in the future. Such a product or opportunity sends a strong positive message to our employees - that we are investing in them and that we believe in them - a powerful recruitment and retention statement.



# How will it work?

Building upon our 'continued employee growth' and 'grow your own' corporate mind-set, the future skills and talent base required to support future business needs is an organisational responsibility. Embedding the Talent Pipeline approach

into the corporate consciousness is the responsibility of the Senior Management Team (SMT) aligned to specific service and wider corporate needs.

*It's as easy as 1,2,3...*





## Service Areas

Service areas will identify through their service planning processes, associated strategies, action plans and responsibilities identified in support of council-wide plans, the specific development needs of existing employees along with skills gaps, vacancies (present or upcoming) and future proofing actions required to meet their service delivery objectives.

Service Managers and Assistant Directors will take the lead responsibility for managing talent within their teams as this is considered a fundamental feature of their job role. Support will be provided to managers by colleagues, senior managers, the HR Team and externally from relevant professional experts. This will enable achievement of successful outcomes for everyone and the organisation.

## Human Resources and Organisational Development Team

Talent management is built on the integration of a range of human resources processes designed to attract, engage and retain employees.

The Human Resources and Organisational Development Team will support SMT and service managers to identify opportunities through the talent pipeline approach aligned to the workforce planning activity and learning and development priorities identified by its departmental customer base. The team will commission a range of learning and development solutions to support these needs, provide co-ordination and administration of the talent pipeline and provide support for those enrolled. The team will continually evaluate, along with SMT, the effectiveness and value for money of all activities and outputs/outcomes related to the talent pipeline approach.

Pipeline Stream	Activity / Approach	Officer
<b>Workforce Planning and Development</b>	Review annually workforce profile to ensure right people in the right place at the right time. Ensures the best talent in the right roles and better understanding of the future workforce needed for successful service delivery. Action taken to address shortages, surpluses or skills mismatches.	<ul style="list-style-type: none"> <li>• Director</li> <li>• Assistant Director</li> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Apprenticeships</b>	Individuals aged 16 or over who combine working with studying to gain skills and knowledge in a specific job role at the Council. Training can be funded through the apprenticeship levy. However, this option is not limited to levy funded courses, the full range of qualifications are available.	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Traineeship</b>	A job role with a course and/or on the job training experience that enables individuals to develop within a particular career path.	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Placement/ Internship</b>	A student undertakes a specific project or temporary role based around their studies or training. This is usually paid.	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Graduate</b>	A structured training programme run by the Council to develop future professionals and leaders	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Secondment</b>	Employee temporarily moves to other work or role in order to broaden their skills, experience and knowledge. It also assists with forging positive links with other teams and partners.	<ul style="list-style-type: none"> <li>• Director</li> <li>• Assistant Director</li> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Work Experience</b>	A defined short period of time where an individual usually a student, works at the Council to gain experience in a particular type of work or role. This is unpaid.	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Volunteering</b>	Involves an individual spending time assisting with a project or specific work activity to enable them to gain learn more about the work and develop skills, knowledge and experience in this area. This is unpaid.	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>
<b>Mentoring and Coaching</b>	Development approaches based on the use of one to one conversations to enhance, an individual's skills, knowledge or work performance.	<ul style="list-style-type: none"> <li>• Service Manager</li> <li>• HR</li> </ul>

# Promotion and marketing

The talent pipeline will require a multi-facted communications plan, combining traditional recruitment methods with more versatile opportunities including university placements, Facebook adverts etc.

**The primary aim will be promote the Talent Pipeline approach:**

1. Internally by educating managers and employees about benefits from adopting this practice
2. Externally with educational establishments and community partners

**Tools used will include, but are not limited to:**

- Launch event
- Video with case studies of existing employees who have progressed and achieved their career ambitions at the Council
- Website and social media promotion
- Attendance at career fairs and university/schools events
- Offering work experience and

placements

- Forging strong links with education establishments and community partners
- Drop in sessions and briefings both internally and externally focused
- Employee Celebration event showcasing and celebrating our workforce talent
- Refreshed and effective recruitment and employee benefits promotional materials
- Every employee is encouraged to be an ambassador and champion for working at the Council.



# Resourcing the Talent Pipeline

The Talent Pipeline will need resourcing, which can be challenging at a time when public sector budgets are once again under pressure. However, our employees are our biggest asset and we should not be afraid of investing in the future of our organisation. Many of the workforce planning issues that teams across the Council are experiencing currently are as a direct result of not investing bringing through the next generation.

The Council's current difficulties in recruitment generate an under spend on the budget every year. Some of this is repurposed in agency costs but the majority remains unspent each year. Repurposing these under spends to invest in the future of the organisation through the talent pipeline would be a more effective use of these resources.

## By way of example:

A professional post has been vacant for over 12 months. Several recruitment attempts have failed. Agency has been utilised but is not proving successful. The funding from this post could fund a work experience under graduate and a graduate who can begin the post graduate learning journey to eventually fill the professional post that has long been vacant.

This approach has been used successfully in a number of service areas already to great effect. There is of course an investment of time

needed, those new to the organisation will need this to develop and grow into the role and of course there is a risk that once trained the employee will move on but neither should be barriers to us investing in the future of the organisation.

There are currently 40+ posts vacant on the establishment with an associated budget of £750k. Utilising these existing pay budgets to fund the talent pipeline will make it cost neutral. There will be a recognition that resources need to be diverted across the organisation to where they are needed most but funding is only needed for a finite period for the talent pipeline so can be redirected back as necessary to those vacant substantive posts.



# Monitoring and review

There are a range of HR metrics in place that support measurement of talent management performance. These include, but are not limited to:

- Annual workforce profiling for each Assistant Director
- Annual Turnover Rate
- Learning and Development spend and course completion
- Appraisals
- Employee Survey Results
- Workforce Mobility
- No of Apprentices
- Succession planning
- Exit Interviews

## Action Plan

Action	Lead Office	Target Date	Expected Outcome	Challenges
<b>Promote the Talent Pipeline approach:</b> 1. Internally by educating managers and employees about benefits from adopting this practice 2. Externally with educational establishments and community partners	• Directors • Assistant Director • HR & OD Manager	June 2023	Increased awareness and embed these practices within organisation culture. Employees feel valued and motivated to perform to the best of their ability.  Attract talent to the organisation and grow our own.	• Resource intensive, buy in from managers and potential applicants • Challenging job market
Annual workforce profiling embedded within performance management framework	• Directors • Assistant Director • HR & OD Manager	December 2023	Improved workforce and succession planning across all services. Future proofing our organisational workforce	Buy in from managers

*continued overleaf*

Action	Lead Office	Target Date	Expected Outcome	Challenges
Appraisal cycle embedded within organisation	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Assistant Director</li> <li>• HR &amp; OD Manager</li> </ul>	December 2023	Talent is identified and harnessed to the benefit of the individual and the organisation.	Buy in from managers and employees
Learning and Development plans and opportunities are identified and maximised in a timely and effective manner	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Assistant Director</li> <li>• HR &amp; OD Manager</li> </ul>	December 2024	Improved and efficient service delivery	Resources and availability of fit for purpose training
Review Reward, Recognition and Retention Review	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Assistant Director</li> <li>• HR &amp; OD Manager</li> </ul>	December 2024	Improved and sustainable benefits package and talent management	Emotive and contentious work stream
Improved People Management and Leadership practices	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Assistant Director</li> <li>• HR &amp; OD Manager</li> </ul>	December 2024	Building organisational capability and performance. Talent is utilised to its full potential	Resource requirements and management engagement



## Equalities Statement

North East Derbyshire District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community.

The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

## Access for All statement

You can request this document or information in another format such as large print or language or contact us by:

- Phone: [01246 231111](tel:01246 231111)
- Email: [connectne@ne-derbyshire.gov.uk](mailto:connectne@ne-derbyshire.gov.uk)
- Text: [07800 00 24 25](tel:07800 00 24 25)
- BSL Video [Call](#): a FREE, three way video call with us and a BSL interpreter.
- Call with [Relay UK](#) via textphone or app on [0800 500 888](tel:0800 500 888).  
FREE phone service for anyone who has difficulty hearing or speaking.
- Visiting our [offices](#) at Wingerworth: 2013 Mill Lane, [S42 6NG](#).



**North East Derbyshire District Council**

**Council**

**6 March 2023**

**Level of Council Tax 2023/24**

**Report of the Portfolio Holder for Economy, Transformation and Climate Change**

**Classification:** This report is public

**Report By:** Jayne Dethick – Director of Finance & Resources

**Contact Officer:** As above

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**PURPOSE / SUMMARY**

To formally approve the Council Tax liability for local residents in respect of 2023/24.

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**RECOMMENDATIONS**

1. That Council formally approves the Council Tax for the Financial Year 2023/24 as set out in this report.

Approved by the Portfolio Holder – Cllr Kenyon

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**IMPLICATIONS**

**Finance and Risk:** Yes ☒ No ☐

**Details:**

North East Derbyshire District Council administers the Collection Fund for all of the precepting authorities operating within the area of North East Derbyshire. In order to pay the amounts requested by the various precepting authorities – including North East Derbyshire District Council – it is necessary to set a Council Tax which raises sufficient funding to ensure that the Collection Fund can meet the financial demands placed upon it.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes ☒ No ☐

**Details:**



The Council is legally required to set a council tax for its area.

On Behalf of the Solicitor to the Council

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**Staffing:**     **Yes** ☐        **No** ☒

**Details:**

There are no human resource implications arising directly out of this report.

On behalf of the Head of Paid Service

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## DECISION INFORMATION

Decision Information	
<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <b>NEDDC:</b> <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/> <b>SMT</b> <input type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/> <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>	Yes  Details:

<b>Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.</b>

## REPORT DETAILS

### 1 **Background** (reasons for bringing the report)

1.1 The purpose of the report is as follows: -

- The Localism Act 2011 requires the billing authority to calculate a Council Tax requirement for the year.
- The approved demand on the Collection Fund in respect of this Council is one of **£6,659,905**.
- In order to calculate the Council Tax requirement for the area at the relevant bands, the demands of the County Council, Police Authority, Fire Authority and parish councils will also need to be taken into account.
- The Council has now received all the relevant precept demands from the other local authorities that precept upon this Council as the billing authority for Council Tax.
- It should be noted that this report will be subject to a recorded vote.

## **2. Details of Proposal or Information**

2.1 It should be noted that the Chief Financial Officer has calculated the following amounts as Council Tax Base for the year 2023/24:

- 32,603.64** being the amount calculated by the Council, in accordance with Section 31B of the Local Government Finance Act 1992, as amended.
- For dwellings in those parts of its area to which a Parish precept relates as detailed as follows:

<b>Parish</b>	<b>Council Tax Base</b>
Ashover	979.85
Barlow	366.56
Brackenfield	92.76
Brampton	513.35
Calow	722.83
Clay Cross	2,913.59
Dronfield	7,184.05
Eckington	3,456.75
Grassmoor, Hasland and Winsick	1,110.70
Heath and Holmewood	843.28
Holmesfield	485.02
Holymoorside and Walton	962.30
Killamarsh	2,550.37
Morton	374.74
North Wingfield	1,881.91
Pilsley	1,029.30
Shirland and Higham	1,476.51
Stretton	258.07

Sutton-Cum-Duckmanton	517.69
Temple Normanton	150.99
Tupton	926.40
Unstone	554.81
Wessington	285.75
Wingerworth	2,966.06
<b>Total</b>	<b>32,603.64</b>

2.2 Calculate that the Council Tax requirement for the Council's own purposes for 2023/24 (excluding Parish Precepts) is **£6,659,905**

2.3 That the following amounts be calculated by the Council for the year 2023/24 in accordance with Sections 31 to 36 of the Act:

- a) **£48,805,725** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- b) **£38,589,514** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c) **£10,216,211** being the amount by which the aggregate at 1.3(a) exceeds the aggregate at 2.3(b), calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Note: - this sum is the total of the District's requirements of **£6,659,905** plus the total parish precepts of **£3,556,306**).
- d) **£313.35** being the amount at 2.3(c), all divided by item 2.1(a) calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) **£3,556,306** being the aggregate amount of all special items referred to in Section 34(1) of the Act (as per 2.3(g)).
- f) **£204.27** being the amount at 2.3(d) less the result given by dividing the amount at 2.3(e) by the amount at 2.1(a), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- g) Part of the Council's Area

The following being the amounts calculated by adding the amount at 2.3(f) to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned in 2.3(d) divided in each case by the amount at 2.1(b). Calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax

for the year for dwellings in those parts of its area to which one or more special items relate.

<b>Parish</b>	<b>Council Tax Band D £</b>
Ashover	295.87
Barlow	304.17
Brackenfield	274.34
Brampton	258.00
Calow	275.77
Clay Cross	295.30
Dronfield	326.29
Eckington	303.61
Grassmoor, Hasland and Winsick	328.52
Heath and Holmewood	364.37
Holmesfield	289.83
Holymoorside and Walton	275.29
Killamarsh	376.92
Morton	351.49
North Wingfield	316.39
Pilsley	313.58
Shirland and Higham	266.07
Stretton	282.49
Sutton-Cum-Duckmanton	339.49
Temple Normanton	307.72
Tupton	316.53
Unstone	359.30
Wessington	291.76
Wingerworth	286.89

- h) being the amounts given by multiplying the amounts at 2.3(f) and 2.3(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

<b>Part of the Council's Area</b>	<b>Valuation Bands</b>							
	<b>A £</b>	<b>B £</b>	<b>C £</b>	<b>D £</b>	<b>E £</b>	<b>F £</b>	<b>G £</b>	<b>H £</b>
Ashover	197.25	230.12	262.99	295.87	361.62	427.37	493.12	591.74
Barlow	202.78	236.58	270.37	304.17	371.76	439.36	506.95	608.34
Brackenfield	182.89	213.38	243.85	274.34	335.30	396.27	457.23	548.68
Brampton	172.00	200.67	229.33	258.00	315.33	372.67	430.00	516.00
Calow	183.85	214.49	245.13	275.77	337.05	398.34	459.62	551.54
Clay Cross	196.87	229.68	262.49	295.30	360.92	426.55	492.17	590.60
Dronfield	217.53	253.78	290.03	326.29	398.80	471.31	543.82	652.58

Eckington	202.41	236.14	269.87	303.61	371.08	438.55	506.02	607.22
Grassmoor, Hasland and Winsick	219.01	255.52	292.01	328.52	401.52	474.53	547.53	657.04
Heath and Holmewood	242.91	283.40	323.88	364.37	445.34	526.32	607.28	728.74
Holmesfield	193.22	225.43	257.62	289.83	354.23	418.65	483.05	579.66
Holymoorside and Walton	183.53	214.12	244.70	275.29	336.46	397.64	458.82	550.58
Killamarsh	251.28	293.16	335.04	376.92	460.68	544.44	628.20	753.84
Morton	234.33	273.38	312.43	351.49	429.60	507.71	585.82	702.98
North Wingfield	210.93	246.08	281.23	316.39	386.70	457.01	527.32	632.78
Pilsley	209.05	243.90	278.73	313.58	383.26	452.95	522.63	627.16
Shirland and Higham	177.38	206.95	236.50	266.07	325.19	384.33	443.45	532.14
Stretton	188.33	219.72	251.10	282.49	345.26	408.04	470.82	564.98
Sutton-Cum-Duckmanton	226.33	264.05	301.77	339.49	414.93	490.38	565.82	678.98
Temple Normanton	205.15	239.34	273.53	307.72	376.10	444.49	512.87	615.44
Tupton	211.02	246.19	281.36	316.53	386.87	457.21	527.55	633.06
Unstone	239.53	279.46	319.37	359.30	439.14	518.99	598.83	718.60
Wessington	194.51	226.93	259.34	291.76	356.59	421.43	486.27	583.52
Wingerworth	191.26	223.14	255.01	286.89	350.64	414.40	478.15	573.78

- 2.4 That it be noted that for the year 2023/24 Derbyshire County Council, the Police and Crime Commissioner for Derbyshire, and the Derbyshire Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Act 1992 for each of the categories of dwellings shown in the following table:

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Derbyshire County Council	874.02	1,019.67	1,165.35	1,311.01	1,602.35	1,893.67	2,185.03	2,622.02
Derbyshire County Council - ASC	111.30	129.87	148.41	166.97	204.07	241.19	278.27	333.94
Police & Crime Commissioner	177.73	207.36	236.98	266.60	325.84	385.09	444.33	533.20
Fire & Rescue Service	57.23	66.76	76.30	85.84	104.92	123.99	143.07	171.68

- 2.5 That, having calculated the aggregate in each case of the amounts at 2.3(h) and 2.4, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2023/24 for each of the categories of dwellings shown in the following table:

Part of the Councils area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Ashover	1,417.53	1,653.78	1,890.03	2,126.29	2,598.80	3,071.31	3,543.82	4,252.58
Barlow	1,423.06	1,660.24	1,897.41	2,134.59	2,608.94	3,083.30	3,557.65	4,269.18
Brackenfield	1,403.17	1,637.04	1,870.89	2,104.76	2,572.48	3,040.21	3,507.93	4,209.52
Brampton	1,392.28	1,624.33	1,856.37	2,088.42	2,552.51	3,016.61	3,480.70	4,176.84
Calow	1,404.13	1,638.15	1,872.17	2,106.19	2,574.23	3,042.28	3,510.32	4,212.38
Clay Cross	1,417.15	1,653.34	1,889.53	2,125.72	2,598.10	3,070.49	3,542.87	4,251.44
Dronfield	1,437.81	1,677.44	1,917.07	2,156.71	2,635.98	3,115.25	3,594.52	4,313.42
Eckington	1,422.69	1,659.80	1,896.91	2,134.03	2,608.26	3,082.49	3,556.72	4,268.06
Grassmoor, Hasland and Winsick	1,439.29	1,679.18	1,919.05	2,158.94	2,638.70	3,118.47	3,598.23	4,317.88

Heath and Holmewood	1,463.19	1,707.06	1,950.92	2,194.79	2,682.52	3,170.26	3,657.98	4,389.58
Holmesfield	1,413.50	1,649.09	1,884.66	2,120.25	2,591.41	3,062.59	3,533.75	4,240.50
Holymoorside and Walton	1,403.81	1,637.78	1,871.74	2,105.71	2,573.64	3,041.58	3,509.52	4,211.42
Killamarsh	1,471.56	1,716.82	1,962.08	2,207.34	2,697.86	3,188.38	3,678.90	4,414.68
Morton	1,454.61	1,697.04	1,939.47	2,181.91	2,666.78	3,151.65	3,636.52	4,363.82
North Wingfield	1,431.21	1,669.74	1,908.27	2,146.81	2,623.88	3,100.95	3,578.02	4,293.62
Pilsley	1,429.33	1,667.56	1,905.77	2,144.00	2,620.44	3,096.89	3,573.33	4,288.00
Shirland and Higham	1,397.66	1,630.61	1,863.54	2,096.49	2,562.37	3,028.27	3,494.15	4,192.98
Stretton	1,408.61	1,643.38	1,878.14	2,112.91	2,582.44	3,051.98	3,521.52	4,225.82
Sutton-Cum-Duckmanton	1,446.61	1,687.71	1,928.81	2,169.91	2,652.11	3,134.32	3,616.52	4,339.82
Temple Normanton	1,425.43	1,663.00	1,900.57	2,138.14	2,613.28	3,088.43	3,563.57	4,276.28
Tupton	1,431.30	1,669.85	1,908.40	2,146.95	2,624.05	3,101.15	3,578.25	4,293.90
Unstone	1,459.81	1,703.12	1,946.41	2,189.72	2,676.32	3,162.93	3,649.53	4,379.44
Wessington	1,414.79	1,650.59	1,886.38	2,122.18	2,593.77	3,065.37	3,536.97	4,244.36
Wingerworth	1,411.54	1,646.80	1,882.05	2,117.31	2,587.82	3,058.34	3,528.85	4,234.62

### 3 **Reasons for Recommendation**

- 3.1 This report sets out for approval the precepts of the relevant public authorities operating in the area of North East Derbyshire District Council in order for Council to agree the Council Tax liability for local residents in respect of 2023/24.

### 4 **Alternative Options and Reasons for Rejection**

- 4.1 The Council is legally obliged to approve the council tax for the financial year 2023/24.

## DOCUMENT INFORMATION

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)	

## North East Derbyshire District Council

### Council

6 March 2023

#### **Auditor's Annual Report 2021/22**

#### **Report of the Portfolio Holder with Responsibility for Economy, Transformation and Climate Change**

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

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#### **PURPOSE/SUMMARY**

- For Council to consider the Annual Audit Letter in respect of 2021/22 which has been prepared by Mazars for consideration by elected Members of the Council and other stakeholders.
- 

#### **RECOMMENDATIONS**

1. That Council considers and notes the attached report from the Council's External Auditors, Mazars.

Approved by the Portfolio Holder – Cabinet Member for Finance

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#### **IMPLICATIONS**

##### **Finance and Risk**

**Yes**

**No ✓**

There are no additional financial implications arising from this report

On Behalf of the Section 151 Officer

##### **Legal including Data Protection**

**Yes**

**No ✓**

There are no legal implications directly arising from this report.

On Behalf of the Solicitor to the Council

##### **Staffing**

**Yes**

**No ✓**

There are no staffing issues arising directly from this report.

## **DECISION INFORMATION**

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <b>NEDDC:</b> <b>Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/></b> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	N/A
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	N/A
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader <input type="checkbox"/> Cabinet <input checked="" type="checkbox"/></b> <b>SMT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/></b> <b>Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></b>	Yes  Details:

<b>Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.</b>
All

## **REPORT DETAILS**

### **1 Auditor's Annual Report**

- 1.1 The annual auditor's report summarises the work undertaken by the Council's auditors, Mazars LLP, for the year ended 31 March 2022. It provides an opinion on the financial statements, the Council's value for money arrangements and any other wider reporting responsibilities. The report is attached at Appendix 1 for Council's consideration.

### **2 Reasons for Recommendation**

- 2.1 To ensure that Council is able to effectively consider the outcomes of the work undertaken by the Council's external auditors.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 No alternatives available, an appropriate level of consideration by Elected Members and other stakeholders must take place.



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**DOCUMENT INFORMATION**

Appendix No	Title
1	Annual Audit Report 2021/22 - Mazars
<b>Background Papers</b>	

# Auditor's Annual Report

North East Derbyshire District Council –  
year ended 31 March 2022

January 2023



# Contents

- 01 Introduction
- 02 Audit of the financial statements
- 03 Commentary on VFM arrangements
- 04 Other reporting responsibilities

# 01

## Section 01: **Introduction**

# 1. Introduction

## Purpose of the Auditor’s Annual Report

Our Auditor’s Annual Report (AAR) summarises the work we have undertaken as the auditor for North East Derbyshire District Council (‘the Council’) for the year ended 31 March 2022. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice (‘the Code’) issued by the National Audit Office (‘the NAO’). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



### Opinion on the financial statements

We issued our audit report on 23 January 2022. Our opinion on the financial statements was unqualified.



### Whole of Government Accounts (WGA)

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



### Value for Money arrangements

In our audit report issued we reported that we had not completed our work on the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Council’s arrangements.



### Wider reporting responsibilities

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. No such correspondence from electors has been received.

# 02

Section 02:

## **Audit of the financial statements**

# 2. Audit of the financial statements

## The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2022 and of its financial performance for the year then ended. Our audit report, issued on 23 January 2023 gave an unqualified opinion on the financial statements for the year ended 31 March 2022.

## Qualitative aspects of the Council's accounting practices

We reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

## Level of audit adjustments prior to completion

We report any errors or misstatements above a trivial threshold (£45k) identified from our work to the Governance & Standards Committee in our Audit Completion Reports.

For 2021/22, we reported the following

### Adjusted misstatements

The ACR reported on the 9<sup>th</sup> of November reflected the majority of the misstatements which were adjusted by management which were mainly around the consolidation of dwellings held by the council's subsidiary. The main issue was that these properties were consolidated at values held by the subsidiary (historical cost) instead of

being revalued at Fair Value to be in line with the council's accounting policy.

Further issues were noted where we noted that the council had not completed valuations for investment properties in the past years. Prior period adjustments were added on the annual financial statements in relation to these issues.

### Unadjusted misstatements

Management has opted not to adjust a misstatement on pension liabilities balance. This is below materiality and therefore did not negatively affect the fair presentation of the financial statements.

## Management co-operation during the audit

We had positive co-operation from management during the audit and in particular want to thank the director of Finance and Resources, Chief Accountant and Principal Accountant for their support throughout.

## Internal control recommendations

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

Our detailed findings and recommendations were included in the Audit Completion Report to the Council's Governance & Standards Committee, confirming there were no 'high' priority recommendations with potential for financial loss, damage to reputation or loss of information that may have implications for the achievement of business strategic objectives for immediate implementation.

# 2. Audit of the financial statements

## Main financial statement audit risks and findings

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment. Following the risk assessment, we identified risks relevant to the audit of financial statements and the significant audit risks and conclusions reached are set out below:

Audit Risk	Level of audit risk	How we addressed the risk	Audit conclusions
<b>Management override of controls</b> This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.	<b>Significant risk:</b> an area that, in our judgment, requires special audit consideration.	We addressed the risk through performing work over accounting estimates, journal entries and considering whether there were any significant transactions outside the normal course of business or otherwise unusual. In addition, we made enquiries of management and used our data analytics and interrogation software to extract accounting journals for detailed testing on specific risk characteristics.	There are no significant matters to report in respect of management override of controls.
<b>Valuation of land &amp; buildings and investment properties and council dwellings</b>  The valuation of these properties is complex and is subject to a number of management assumptions, judgements and a high degree of estimation uncertainty covering: <ul style="list-style-type: none"><li>Council dwellings (£402,2m – Note 10)</li><li>Other Land &amp; Buildings (£35,3- Note 10)</li><li>Surplus Assets (£0,014m – Note 10)</li><li>Investment Properties (£21,4m – Note 12)</li></ul>	<b>Significant risk</b>	<p>Our procedures to address this risk included, but was not limited to:</p> <ul style="list-style-type: none"><li>considering whether the overall revaluation methodologies used by the Council’s valuers are in line with industry practice, the CIPFA Code of Practice and the Council’s accounting policies;</li><li>assessing whether valuation movements are in line with market expectations by using third party information to provide information on regional valuation trends;</li><li>critically assessing the approach that the Council adopts to ensure assets that are not subject to revaluation in 2021/22 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Council’s valuers;</li><li>testing a sample of individual valuations, back to source records to ensure appropriateness and to gain assurance over whether the correct accounting treatment has been applied; and</li><li>to address the prior period errors we have reviewed the work performed by the values through inspecting supporting evidence and for further assurances we have tested the final values against relevant indices.</li></ul>	Apart from the issues described in page 6, there are no significant matters to report in respect of valuation of land, building and dwelling assets.
<b>Valuation of the net pension liability</b> The defined benefit liability relating to the Local Government pension scheme represents significant balances on the Council’s balance sheet. The Council relies on an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk of misstatement in this area.	<b>Significant risk</b>	<p>Our procedures to address this risk included, but was not limited to:</p> <ul style="list-style-type: none"><li>liaising with the auditors of the Derbyshire Pension Fund to gain assurance that the controls in place at the Pension Fund are designed and implemented correctly. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate;</li><li>reviewing the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuaries, and the key assumptions included within the valuations. This included comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office</li></ul>	There are no significant matters to report in respect of net pension liability.



# 03

Section 03:

**Commentary on VFM arrangements**

### 3. Commentary on VFM arrangements

#### Overall summary



# 3. VFM arrangements – Overall summary

## Approach to Value for Money arrangements work

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

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

Our work is carried out in three main phases.

### Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are

further risks of significant weaknesses.

### Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

### Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements**

We make these recommendations for improvement where we have identified a significant weakness in the Council arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.




- **Other recommendations**

We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

### 3. VFM arrangements – Overall summary

#### Overall summary by reporting criteria

Reporting criteria	2020/21 Actual significant weaknesses identified?	2021/22 Commentary page reference	2021/22 Identified risks of significant weakness?	2021/22 Actual significant weaknesses identified?	2021/22 Other recommendations made?
 <b>Financial sustainability</b>	No	13	No	No matters arising in 2021/22.	No
 <b>Governance</b>	No	16	No	No matters arising in 2021/22.	No
 <b>Improving economy, efficiency and effectiveness</b>	No	19	No	No matters arising in 2021/22.	No

# 3. VFM arrangements – Overall summary

## Context of the Auditor’s Annual Report

Our Auditor’s Annual Report summarises the work we have undertaken as the auditor for North East Derbyshire District Council for the year ended **31 March 2022**, where at the time of reporting in January 2023, we recognise that the social, political and economic environment has changed and local government is facing significant challenges including:

- **Cost of Living:** With most people experiencing financial pressure, spending habits are changing. High energy costs and increasing food prices have impacted on levels of disposable income. With wage (and potentially benefit) increases failing to keep pace with inflation, more people will be facing hardship.
- **Added budget pressures:** With inflation soaring, the cost of goods, services and resources are becoming more expensive. Local authorities are not immune to the increasing cost of energy supply, although the government announcements on energy caps help, many local authorities are still facing higher costs. Local authorities typically budget for modest salary increases year on year, but expectations and demands on salary increases have changed and consideration on how they are to be funded is required.
- **Cost of Borrowing:** The Bank of England base rate has risen to 4% in February 2023 meaning that the cost of borrowing for capital projects has increased significantly.
- **Contractors and Suppliers:** The cost-of-living crisis has resulted in business failures. Although government support has been announced, some businesses will continue to struggle, with a greater risk of supplier failure. Supply failures anywhere in the supply chain will have a knock-on effect.
- **Service Delivery:** Likely budget reductions and savings plans are going to impact the ability of local authority services to maintain levels of delivery, particularly at a time of increased demand.

We maintain a watching brief over the key issues facing North East Derbyshire District Council and, should we identify a risk of significant weakness in arrangements, will follow the process as described in section 3 to promptly raise these with management and issue any reports to the Governance & Standards Committee as part of our audit for the year ending 31 March 2023.

### 3. VFM arrangements

#### Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services





# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria

Significant weakness in 2020/21	Nil.
Significant weaknesses identified in 2021/22	Nil.

### Position brought forward from 2020/21

As set out in the table above, there are no indications of a significant weakness in the Council’s arrangements for financial sustainability brought forward from 2020/21.

### Overall responsibilities for financial governance

We have reviewed the Council’s overall governance framework, including Council and committee reports, the Annual Governance Statement, and Statement of Accounts for 2021/22. These confirm the Council undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Council’s service users.

### The Council’s financial planning and monitoring arrangements

Through our review of Council and committee reports, meetings with management and relevant work performed on the financial statements, we are satisfied that the Council’s arrangements for budget monitoring remain appropriate, including quarterly reporting to Members and well established arrangements for year-end financial reporting.

We reviewed Revenue And Capital Outturn Position for 2021/22 provided to the Portfolio Holder for Finance on 7<sup>th</sup> July 2022. The report set out the Council’s year end outturn position for the revenue and capital budgets for the 2021/22 financial year, and the impact on both the General Fund and Housing Revenue Account (HRA) level of general Balances. The Council’s General Fund Outturn saw a £0.478m surplus against budget, which

was transferred to Earmarked Reserves to mitigate against expected future budget pressures. The Council also saw a surplus of £0.304m for the Housing Revenue Account in 2021/22.

### Financial Statement performance 2021/22

We have carried out a high level analysis of the audited financial statements, including the Comprehensive Income and Expenditure Statement, the Balance Sheet and Movement in Reserves Statement. The Council’s balance sheet position does not highlight any concerns. The Council’s usable reserves have declined by £3.196m from £69.412m to £66.216m in 2021/22:

- General Fund & Earmarked Reserves of £22.569m, up from £22.526m in the prior year
- HRA Reserve of £35.355m, down from £37.681m in 2020/21
- Capital Reserves of £9.205m, up from £8.292m in 2020/21.

The Council’s reserves position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability and provide some mitigation against future financial challenges, and will assist in addressing future volatility and support savings and efficiencies plans. The Council will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long term solution to funding gaps.

# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria

### Arrangements for the identification, management and monitoring of funding gaps and savings

For the 2021/22 General Fund budget, the Council set a balanced budget which relied on resources being taken from balances and resilience reserves.

We reviewed Revenue And Capital Outturn Position for 2021/22 provided to the portfolio holder with responsibility for finance on 7 July 2022. The report confirms a surplus of £0.478m with the main saving from vacancy management.

The council has managed to maintained a limit of £2m and £3m in the general fund reserve and HRA reserve respectively. Through the review as included above, no material weaknesses were noted in the arrangements.

### The Council’s arrangements and approach to financial planning 2022/23

We reviewed the Medium Term Financial Plan (MTFP) set from 2021/22 to 2025/26. The key part of the plan is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to both capital and revenue spending as well as assessing sufficient reserves and provisions are held for past and unknown events which may impact on the Council’s resources. The original budget showed that the council will have a shortfall in 2022/23. The council plans on increasing council tax of approximately 2% from 2023/24. From 2023/24 the council has budgeted a shortfall which will be funded through contributions from the resilience reserve.

In November 2022 the council presented a revised budget for 2022/23 where the council have reported a planed shortfall of £0.343m. The resilience reserve will be used to finance the shortfall. This reserve was at £2.6m as at 31 March 2022. Any savings in the general funds in the future will be transferred to the Resilience Fund to “pay back” the contribution made in 2022/23

Based on the above considerations we are satisfied there is not a significant weakness in the Council’s arrangements in relation to financial sustainability for the year ended 31 March 2022.



### 3. Commentary on VFM arrangements

#### Governance

How the body ensures that it makes informed decisions and properly manages its risks



# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

Significant weakness in 2020/21	Nil.
Significant weaknesses identified in 2021/22	Nil.

### The Authority’s governance structure

Based on our work, we are satisfied that the Council has established governance arrangements, consistent with previous years, in place. These are detailed in the Statement of Accounts and Annual Governance Statement. We have considered both documents against our understanding of the Council as part of our audit.

Our review of corporate governance arrangements confirms the Council has an agreed Constitution, setting out how it operates, how decisions are reached and what procedures are followed to ensure that these are transparent and accountable to local people. Any recommendations for amendments to the Constitution need to be approved by Full Council.

Our review of Council and Committee papers confirms that a template covering report is used for all reports, ensuring the purpose, strategic context, governance issues, and recommendations are clear. Minutes are published and reviewed by Committees to evidence the matters discussed, challenge and decisions made.

Committee’s minutes and summary reports and then determine appropriate risk appetite, risks and opportunities. These arrangements are consistent with what we would expect at a local authority and are adequate for the Council’s purposes.

The Annual Governance Statement is a critical component of the Council’s governance arrangements. It is an evidenced self assessment by the Council on the Council’s governance, assurance and internal control frameworks for the financial year. No significant weaknesses in internal control have been identified from our work to date and Internal Audit have not identified or raised any significant concerns. We reviewed the Annual Governance Statements as part of our work on the financial statements with no significant issues arising.

We have attended Governance & Standards Committee meetings and reviewed supporting documents and are satisfied that the programme of work is appropriate for the Council’s requirements. Our attendance at Governance & Standards Committee has confirmed there continues to be an appropriate level of effective challenge.

### Risk management and internal control

The Council has an established risk management framework and systems in place which are built into the governance structure of the organisation. There is an approved Risk Management Strategy which includes the Council’s approach to managing risk, guidance, the Council’s risk appetite and roles and responsibilities.

The Governance and Standards Committee is responsible for overseeing the effectiveness of the Council’s risk management arrangements, and challenging risk information. The Committee is presented with the risk register on a regular basis and provides challenge as part of the process. The Corporate Leadership Team consider the

# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria - continued

### Arrangements for budget setting and budgetary control

The Council has an established set of arrangements in place for budget setting and control. The process is set out and approved through the Constitution, which encompasses the budget setting rules and financial procedures. The framework includes:

- Clear responsibilities, including the role of the CFO in leading the budget setting process and providing professional advice, and the reservation of the approval of the Budget to the Council
- Budget setting guidance to managers, with the process normally starting in August to get an early understanding of the key relevant factors and future budget requirements. Although existing budgets are in most cases used as a basis determining the next year's estimates they are not merely rolled forward with early challenge to staff number assumptions and growth and savings proposals.
- Close working between the finance team and with external advisors and neighbouring councils to agree the key budget assumptions, which are challenged and agreed through the budget review process by the Senior Management Team, Audit and Corporate Governance Scrutiny Committee, Executive and Council.

We have reviewed the budget setting arrangements through observation and discussions with Officers and no matters have been identified indicating a significant weakness in arrangements.

We have reviewed minutes of meetings and the year end financial outturn reports presented to the Cabinet during the year as well as the narrative statement to the financial statements. In addition, we have reviewed capital expenditure as presented in the financial statements with no issues arising from our testing of additions.

We also reviewed the capital programme as included within the Council's 2022/23 approved MTFP, noting that the consolidated General Fund Capital Programme for the next 3 years from 2022/23 to 2024/25 at around £21m per annum is funded predominantly from own resources.

	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
General Fund Services	4.4	2.3	1.9
Council Housing (HRA)	16.8	18.6	18.6
Capital Investments	0	0	0
TOTAL	21.2	20.9	20.5

	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
External Sources	0.7	0.7	0.7
Own Resources	15.4	17.1	17.1
Debt	5.1	3.1	2.7
TOTAL	21.2	20.9	20.5

Overall, we have not identified any indicators of a significant weakness in the Council's arrangements relating to the Governance criteria for the year ended 31 March 2022.



### 3. Commentary on VFM arrangements

#### Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



# 3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

## Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

Significant weakness in 2020/21	Nil.
Significant weaknesses identified in 2021/22	Nil.

The council has a council plan which sets out 4 of its strategic priorities. The vision is for the district to be a place that is clean and attractive, a place where people are proud to live and work, where they will prosper and are safe, happy and healthy. These priorities are as follows:

- >Economy - Creating a business friendly District that develops skills and jobs
- >Residents – Enhancing the District residents’ quality of life
- >Environment - Protecting our promoting the character of the District
- >Delivering high quality cost effective services by engaging with residents, partners and Council staff

The Council has in place a performance management framework which includes identified responsibilities of managers and processes for regular performance reporting and corrective action if required in order to achieve the above mentioned strategic priorities. Portfolio Holders meet regularly with Assistant Directors and Directors to discuss, amongst other things, the performance of services against targets. There is quarterly reporting to the Audit and Corporate Governance Scrutiny Committee and the Executive. These quarterly reports take the form of a dashboard and identify whether the performance is achieved or on/off track. The quarterly reports include an appropriate commentary to explain any significant factors which are affecting performance and actions being taken to correct performance. We are satisfied with scrutiny done on these reports we also note that there are no issues noted by the Head of internal Auditor that would give rise to suspicions that there may be performance issues.

On an annual basis, the Council’s overall performance is summarised in the Narrative Report as part of the Statement of Accounts. This outlines the Council’s progress against its ambitions, highlighting key successes

and risk areas. This provides the public with an overall assessment of the Council activities for the financial year.

We have reviewed a sample of targets as reported in the Q4 report for 2021/22 and confirmed that this report is in line with what has been reported in the financial statements. The quarterly reports demonstrate that performance has been managed throughout the 2021/22 year and any significant variances have been justified. Overall, we believe there is sufficient evidence to demonstrate adequate arrangements for performance monitoring and management at the Council.

We identified no significant changes in arrangements regarding partnership working and are satisfied the Council continues to have arrangements for standing financial instructions, purchase order controls and our work on the financial statements has not identified any significant internal control deficiencies regarding purchasing controls.

**Overall, we have not identified any indicators of a significant weakness in the Council’s arrangements relating to the Improving Economy, Efficiency and Effectiveness criteria for the year ended 31 March 2022.**



# 04

Section 04:

## **Other reporting responsibilities and our fees**

# 4. Other reporting responsibilities and our fees

## Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

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

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

## Reporting to the National Audit Office (NAO) in respect of Whole of Government Accounts (WGA) consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We have not received the instructions from the NAO and therefore this work remains incomplete.

# 4. Other reporting responsibilities and our fees

## Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum. Having substantially completed our work for the 2021/22 financial year, we can confirm that our fees are as follows:

Area of work	2020/21 fees	2021/22 fees	2022/23 Scale Fee
Scale fee in respect of our work under the Code of Audit Practice	£43,510	£43,510	£53,206
Additional cost in respect of:			
• Additional testing on IAS19 Pension Liabilities*	£2,567	£3,200	N/A – included in the scale fee
• Additional testing on valuation of land, buildings, council dwellings and investment properties*	£4,500	£4,500	N/A – included in the scale fee
Comparable fee	£50,577	£51,210	£53,206
Additional costs arising from:			
• Additional work from the introduction of new auditing standards (ISA 540 Estimates)	£2,892	£2,900	TBC
• Additional testing arising the prior period adjustment for investment properties	-	£3,200	
Additional cost in respect of the new VFM approach	£9,293	£7,000	TBC
Total fees	£62,762	£64,310	TBC

*\*The scale fee for 2022/23 has been uplifted to take into account a permanent increase for pension testing and testing of land & buildings*

*Fee variations subject to PSAA approval process.*

## Fees for other work

We confirm that we have undertaken one assurance related service for the Council in the year: Assurance return on the pooling of housing capital receipts for £4k. We are satisfied there are adequate safeguards in place regarding our independence and objectivity.

# Mark Surridge

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

\*where permitted under applicable country laws.

## **NORTH EAST DERBYSHIRE DISTRICT COUNCIL**

### **Pay Policy Statement 2023-2024**

#### **1. Introduction**

The Council is committed to the principle of equal pay. It recognises that women and men in the workforce should receive equal pay for work of equal value and this principle is enshrined in both UK and European law. The Council aims to ensure its pay system is free of bias. Fairness and equality across gender, age, race, disability, religion and sexuality are part of the values of this organisation.

The Council believes its values send a positive message on diversity and equality to managers, employees, potential employees, partners and customers and enhances productivity, efficiency and morale. This approach embeds the Council's "One Team" culture in place across the organisation.

The overall pay policy of the Council is driven by organisational consistency, equity and transparency. The Council believes in paying a fair rate of pay to its employees, and in meeting its strategic objectives it endeavours to create a working environment that will attract high calibre job applicants, encourage the retention of existing employees and fosters the Council's Talent Pipeline framework.

The local government environment is in an ongoing state of change and to this end North East Derbyshire District Council undergoes regular reviews of services to ensure that high levels of service delivery can be maintained without unnecessary cost to the taxpayer.

The implementation of policies on employee development and performance review, as well as dealing with capability where performance falls short of the desired standard, ensure that the workforce remains well trained and well-motivated without the need to apply any form of performance related pay. Mechanisms such as internal and external celebration and recognition of achievement are used to acknowledge particular contributions to the successful running of the organisation. Acknowledgement comes in a variety of forms.

#### **Overview – whole workforce**

In order to secure equal pay within the organisation, the following action has been taken to date:

- 1 In 1997 the National Joint Council (NJC) introduced a new National Agreement for Local Government Services (The Green Book). This agreement replaced the terms and conditions of service in the old



Purple Book (former officers) and White Book (former manual workers). The new agreement was generally called The Single Status Agreement since its intention was to introduce equal pay and eliminate the old blue/white collar divides.

- 2 As part of this process an Equal Pay Audit was carried out to ensure that any areas of inequality could be identified and resolved.
- 3 At the heart of the National Agreement is the principle of fairness and equality for all employees - equalising pay differences across the local government sector that have existed for decades. The Agreement recommended the use of a job evaluation scheme and it was jointly agreed locally to use the computerised version of the NJC Job Evaluation Scheme. This was applied to all jobs covered by the NJC Agreement for Local Government Services ('Green Book') at 1<sup>st</sup> April 2007.
- 4 The following are the factors included in the Job Evaluation process:
  - Knowledge
  - Mental Skills
  - Interpersonal Skills
  - Physical Skills
  - Initiative and Independence
  - Physical Demands
  - Mental Demands
  - Emotional Demands
  - Responsibility for People
  - Responsibility for Supervision
  - Responsibility for Financial Resources
  - Responsibility for Physical Resources
  - Working Conditions
- 5 The factors listed above are intended to allow application of the scheme across the whole range of posts within Local Government, with recognition given not only to mental effort required to carry out a job but also to physical skills and demands for more manual posts and emotional demands and responsibility for people in respect of jobs with caring as a focus.
- 6 The full Single Status package was submitted to Council for approval and adoption. This included both the Job Evaluation Scheme and a range of former national terms and conditions of service which were simplified and rationalised to reflect the current economic situation.
- 7 Decisions about smaller-scale changes to terms and conditions of service for employees of the Council are agreed through the Council's delegated decision process.

- 8 The implementation of the NJC Scheme is closely monitored to ensure that it is applied fairly and consistently across the Council and to minimise the possibility of an Equal Pay challenge.
- 9 Equal Pay and Gender Pay audits are undertaken on an annual basis.

### **Lowest Paid Employees**

Following the implementation of Single Status and the JNC Job Evaluation Scheme, local grades were applied to the national spinal column points. Each grade comprises four points, and the top point of each grade is also the bottom point of the next grade. This has evolved in line with each National Pay Award Agreement to ensure it remains fit for purpose.

Grades 1 and 2 were payable to those employees who scored lowest under the thirteen factors used under the JE Scheme. However, from 1 October 2013 this Council has adopted the Living Wage for the small number of employees paid on these grades. The Living Wage, which is updated on 1 November annually and is currently set nationally at £10.90 per hour and is considered to be the pay needed to provide an adequate standard of living. To avoid compromising the integrity of the Job Evaluation process, all salary points below the living wage rate were deleted and replaced by a new single salary point at the appropriate level.

From 2015/16, to date the Council operates an Apprentice Scheme. New Apprentices joining the Council are paid on the National Living Wage based on their age. Apprentices and existing employees on an apprenticeship course undertaking the full duties and responsibilities of a post evaluated under the Council's job evaluation scheme are paid based on the grade for the role.

### **Background – Chief Officers' Salaries**

In 2008 an independent review was carried out of salaries payable to senior managers, in an acknowledgement that the JNC Scheme was not an appropriate way of determining salaries for Senior Management.

There are many factors which affect the market for senior staff, including the following:

- A tightening pool of suitably qualified and experienced staff;
- An increasing reluctance to travel over large distances;
- The trend towards slimmer senior management structures comprising posts with more generic responsibilities
- The salary premium being offered by failing Councils to attract suitable candidates.

In view of the above, and further to national advice, the following factors were taken into account in establishing the local salary structure:

- Any special market conditions;

- Any substantial local factors not common to authorities of similar type and size;
- Comparable information on salaries in other similar authorities;
- Top management structures and the size of the senior management team compared to other authorities of similar type and size.

In addition it should be noted that there has been found to be a correlation between population and salary levels, with a distinct salary bias towards districts with urban characteristics as opposed to rural characteristics, as well as a marked salary premium for Councils in the South of the country.

Since 2011, the Council has been in a strategic alliance with Bolsover District Council. From 2011 until 2021, the Council had a significant number of senior management posts that worked jointly with postholders working across both Councils. In 2021, each Council commenced development of its' own senior management team to reflect the current strategic objectives at each Council and ensure resources were effectively utilised to achieve each Council's aims.

Bearing in mind all of the above points, salary levels for the senior managers were set at a level which reflected the extremely marketable experience built up by the senior managers who had been part of the successful achievements at North East Derbyshire District Council. This was to avoid the very real danger that key senior staff would be lost and it might not be possible to attract replacement candidates of the highest calibre necessary to maintain and accelerate the recent and ongoing momentum for service and organisational improvements. Following the Covid pandemic, the recruitment market has become significantly more competitive with the increase in hybrid/remote working options and greater focus on employee wellbeing/work life balance.

Chief Officers have significant responsibility for corporate management and operational issues, and detailed information about decision making delegated to senior managers can be found in the Constitution on the Council's website.

The decisions in respect of the review of salaries following the independent review were taken by Council, although smaller scale decisions about terms and conditions of service for the Chief Officers are taken by the Appointments Committee.

When revised senior management payscales are implemented reviews of senior management salaries take place with independent advice sought and benchmarking exercises undertaken to ensure salaries reflect the current structure and level of responsibilities undertaken within the organisation, whilst ensuring value for money for the taxpayer.

## **Grading Structure – Senior Management**

The salaries indicated for senior management include nationally negotiated pay awards since April 2009

### **Managing Director**

The Managing Director (Head of Paid Service) post is paid a single fixed point salary of £100,854

### **Directors**

Incremental Points	Directors
1	£79,421
2	£81,734
3	£84,047
4	£86,361
5	£88,674
6	£90,704

No additional payments are made e.g. bonuses, allowances (other than those mentioned below) performance related pay or other benefits in kind.

### **Assistant Directors**

Incremental Points	Assistant Directors
1	£56,172
2	£57,791
3	£59,411
4	£61,030
5	£62,649

The intention is these posts are characterised by their relatively high level of responsibilities, and would deputise, as appropriate, in the absence of the Director. This is an important element in the Council's succession planning and leadership development processes, as well as providing valuable strategic input.

### **Statutory Officers**

There are three statutory officer roles: Head of Paid Service, Monitoring Officer and Chief Finance Officer, commonly referred to as Section 151 Officer.

**Managing Director:** It is the role of the Managing Director, also known as the Head of Paid Service, to ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management.

Local Government and Housing Act 1989 -

<https://www.legislation.gov.uk/ukpga/1989/42/section/4>

**Section 151 Officer:** Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements.

The CFO must lead on a local authority's financial functions and ensure they are fit for purpose. CFOs must be professionally qualified and suitably experienced.

In correspondence with the Local Government Finance Act 1988 the CFO must be a member of one of the following bodies in order to qualify as a responsible officer: (a) the Institute of Chartered Accountants in England and Wales, (b) the Institute of Chartered Accountants of Scotland, (c) the Chartered Association of Certified Accountants, (d) the Chartered Institute of Public Finance and Accountancy, (e) the Institute of Chartered Accountants in Ireland, (f) the Chartered Institute of Management Accountants, and (g) any other body of accountants established in the United Kingdom and for the time being approved by the Secretary of State for the purposes of this section.

Local Government Act 1972 -

<https://www.legislation.gov.uk/ukpga/1972/70/section/151>

Local Government Finance Act 1988 -

<https://www.legislation.gov.uk/ukpga/1988/41/section/113>

**Monitoring Officer:** It is the role of the Monitoring Officer to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of councillors and officers and, to be responsible for the operation of the council's constitution. They are usually, the Head of Legal Services.

Local Government and Housing Act 1989 -

<https://www.legislation.gov.uk/ukpga/1989/42/section/5>

### **Remuneration**

The Head of Paid Service role is undertaken by the Managing Director and is an integral part of the post and is rewarded as part of the substantive role. In the absence of the Managing Director, the deputising role will fall to a Director. The deputising role for the Head of Paid Service is reflected in the substantive salary paid to the Director.

Where the Section 151 or Monitoring Officer role is discharged at Director level it is rewarded as part of the substantive role and therefore no additional payment is payable.

Where the Section 151 or Monitoring Officer role is discharged below Director level, it is rewarded as an additional responsibility through an additional payment. Statutory Officers operating at Assistant Director level receive an additional payment of £5,075 p.a.

The deputising role for the Section 151 or Monitoring Officer role is reflected in the substantive salary paid and therefore no additional payment is payable.

### **Relationship between salaries**

There is a pay differential of £44,682 between the lowest paid Assistant, Director and the Management Director.

The median salary of the whole workforce is £24,495 and the ratio of the Council's top earner to that of its median earner is 4.1:1

The mean salary is £27,077 per annum, and the ratio of the Council's top earner to the mean salary is 3.7:1

The Council does not anticipate these changing during the course of the financial year.

### **Terms and Conditions of Service**

Managing Director, Directors and Assistant Directors are employed under the terms and conditions of service of the Joint Negotiating Committee for Chief Officers of Local Authorities. There are currently no additional local agreements relating to the employment of chief officers that represent a charge on the public purse, with the exception of election duties (see following paragraph).

### **Election Duties**

The fee for Returning Officer duties is dependent upon the type of election, and is prescribed by Central Government by means of a Fees and Charges Order.

### **Honoraria and ex gratia payments**

The Council does not make ex gratia payments.

An honorarium is payable in circumstances where an employee temporarily takes on duties and responsibilities which are at a higher level than those carried out within their substantive post. The amount of the honorarium is calculated by carrying out an evaluation, under the JNC Job Evaluation Scheme, which takes account of the additional duties. Where an employee carries out the full duties and responsibilities of a higher graded post for a temporary period, then they are paid the appropriate rate for the higher graded post, as identified under the Job Evaluation Scheme.

The same principles apply to all employees, including those on Chief Officer rates of pay.



## **Other financial benefits**

The Council's Managing Director, Directors and Assistant Directors are not in receipt of any financial benefits that are not also available to other employees. For example, subsistence allowances are payable to all employees who are away from their base for lengthy periods as follows:

Employees can claim for actual expenditure, supported by receipts, up to a maximum of the following amounts:

Breakfast: £5.61 (payable if employee left home on official business before 7.00am)

Lunch: £7.73 (payable if employee is away from the office between 11.30am and 2.30pm)

Tea: £3.04 (payable if the employee is absent from home and office after 6.30pm on official business)

Evening meal: £9.37 (payable if the employee is absent from home and office after 8.30pm)

Overnight: £3.63 per night (payable if away from home on business overnight)

Weekly: £14.55 (payable if away on business for a week or more)

Other expenses such as taxi, bus or train fares, parking fees etc can be reimbursed provided they are approved and valid receipts are attached to the expenses claim form.

**Essential User Allowance** is payable to employees who meet specified criteria. Although nationally there are three levels of payment which are linked to the size of the vehicle's engine, this Council pays at the lowest rate only as follows:

### Essential Users

Lump sum per annum	£846
per mile first 8,500	36.9p
per mile after 8,500	13.7p

Whilst senior management do not always meet the minimum 1500 miles, senior officers currently receive this Allowance because of the requirement to have a vehicle available at all times to allow them to respond to urgent incidents.

**Professional fees** are paid for any employee for whom it is an essential requirement that they hold a professional qualification and are members of a professional body.

The Council has a policy of not allowing employees to accept gifts or other inducements, and if such gestures are made then the gift is recorded and donated to the Chair's current charity.

**A mobile telephone** is provided to employees who are frequently away from their office, or not office-based and all senior managers are included. In addition to providing the mobile phone, the cost of the monthly rental is paid as well as business related calls.

### **Incremental Progression**

The policy of the Council in respect of incremental progression is the same whatever the level of the post. Appointment is generally to the lowest point on the scale, unless the individual already works in local government and is currently paid at a higher point, in which case they will be appointed to the incremental point above that which is closest to the employee's existing salary (up to a maximum at the top of the grade). Where relevant, incremental increases take place on 1 April each year, except when a new appointment is made between 1 October and 31 March, in which case the first increment is payable six months after appointment.

### **Pensions**

Employees of the Council pay a contribution to the Pension Scheme relative to their annual full-time equivalent pensionable pay (including pensionable allowances). The contribution rates for 2022/2023 have altered slightly as per below;

#### **England and Wales – employee contribution rates for 2022/23**

<b>Actual Pensionable Pay</b> (based on latest pay x 12)	<b>Employee Contribution rate</b>
Up to £15,000	5.5%
£15,001 to £23,600	5.8%
£23,601 to £38,300	6.5%
£38,301 to £48,500	6.8%
£48,501 to £67,900	8.5%
£67,901 to £96,200	9.9%
£96,201 to £113,400	10.5%
£113,401 to £170,100	11.4%
£170,101 or more	12.5%

The Employer's contribution at NEDDC is currently 14.7% of pensionable pay.

There are a number of discretions available under the Local Government Pension Scheme, and as a matter of policy, NEDDC does not usually exercise any discretion that would represent a cost to the Council.

### **Flexible Retirement**

Under the terms of the Local Government Pension scheme, an employee aged 55 or over can elect to reduce their hours or their grade and request early release of pension benefits. This is a provision available to all employees.

The Council has a degree of discretion, as the needs of the service take precedence at all times over the scheme, and the Council's Policy on Flexible Retirement makes clear that it will only agree to such requests where there is no cost to the Council in doing so, ie either the employee has already passed their earliest retirement date or where the cost of early release is met by the employee via a reduced pension.

### **Re-employment of employees in receipt of a pension**

Under the terms of the Local Government Pension scheme, an employee who has retired from local government service and is in receipt of a pension may reapply for local government employment. However where this happens the pension is subject to abatement, i.e. if the pension added to the new salary is higher than the original salary then the amount of pension will be reduced accordingly. There are currently no re-employed pensioners in senior management positions.

### **Payment on termination of employment**

Where a post is deleted following a review of service (redundancy), or where an employee is retired 'in the interests of the efficient exercise of the Authority's functions', a compensatory payment is made.

In the case of redundancy, a sum is payable based on the national redundancy table with a multiplier of 1.5. The Council exercises its discretion in these cases to base the payment on actual weeks' pay, and the maximum payable in these circumstances is 45 weeks' pay for service of 20 years or over.

Under the Local Government Pension Scheme, pension benefits are payable with immediate effect to any employee whose employment is terminated on grounds of redundancy or efficient exercise and who is aged 55 or over.

### **Holiday Entitlement**

The annual leave entitlement for senior managers is 36 days per year plus 3 days per annum to cover the Christmas closedown period. All Chief Officers are entitled to 8 bank holidays plus any additional bank holidays agreed at national level. The annual leave year commences on the first of the month in which an employee birthday falls.

## North East Derbyshire District Council

### Council

6 March 2023

### Members Allowances

#### Report of the Assistant Director of Governance and Monitoring Officer

Classification: This report is public

Report By: Sarah Sternberg [sarah.sternberg@ne-derbyshire.gov.uk](mailto:sarah.sternberg@ne-derbyshire.gov.uk)

Contact Officer: Lisa Ingram [lisa.ingram@ne-derbyshire.gov.uk](mailto:lisa.ingram@ne-derbyshire.gov.uk)

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#### **PURPOSE / SUMMARY**

To consider whether there should be an increase in Members' Allowances in 2022/23 and what that increase should be as the mechanism in the Members' Allowances Scheme isn't engaged by the employees pay award.

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#### **RECOMMENDATIONS**

The IRP makes the following recommendations to Council:

1. That both the Basic Allowance and the Special Responsibility Allowances should be increased by 4.04%.
2. That the increase should be backdated to 1<sup>st</sup> April 2022
3. That the Members' Allowances Scheme be amended to include an alternative mechanism for increasing the allowances of linking the increase to the percentage increase in scale point 43 of the employee pay scales.

#### **IMPLICATIONS**

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Finance and Risk: Yes ☒ No ☐

##### **Details:**

In increasing the Basic Allowance and SRA's in line with the alternative mechanism for increasing the allowances there will be an overall increase in expenditure of £17,701 for the 2022/23 financial year.

On Behalf of the Section 151 Officer

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Legal (including Data Protection): Yes ☒ No ☐

##### **Details:**

By law the Council is required to consider a report from an Independent Remuneration Panel (IRP) before considering any change to the Members' Allowances Scheme. For the reasons in the report, the Council now needs to consider whether there should be an increase in the current allowances levels and if so whether it should be backdated to 1<sup>st</sup> April 2022. In addition Council is being asked to amend the Members' Allowances Scheme with regard to how this increase is applied.

The Local Authorities (Members' Allowances) (England) Regulations 2003 as amended, contain the rules.

The Members of the Independent Remuneration Panel have agreed to make a recommendation to Council to increase Members' Allowances for Members to consider.

On Behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☒

**Details:**

On behalf of the Head of Paid Service

## DECISION INFORMATION

<b>Decision Information</b>	
<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <b>NEDDC:</b> <b>Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/></b> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/></b> <b>SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/></b> <b>Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></b>	No  Details:

<b>Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.</b>
None

## REPORT DETAILS

### 1 Background

- 1.1 Council approved the current Members' Allowances Scheme in April 2022.
- 1.2 This Scheme, which is contained within the Council's Constitution, provides for an annual increase in the Members' Allowances based on the percentage increase in the employee pay award. This would normally mean an automatic increase in the allowances without the need for a Council decision, each year.
- 1.3 This year, the employee pay scales were increased by a flat rate £1925.
- 1.4 As this is not within the Scheme, it is necessary for an Independent Remuneration Panel to recommend to Council how the Members' Allowances should be increased.
- 1.5 It is then for Council to decide whether the recommendations of the Independent Remuneration Panel will be accepted.

### 2. Details of Proposal or Information

- 2.1 The members of the Independent Remuneration Panel were (as in 2022):
  - Mrs. Ruth Jaffray JP
  - Mr. Ian Kirk, Independent Person for a neighbouring District
  - Mr. Stephen Wainwright, Independent Person for a neighbouring District
- 2.2 The Panel was supported by Sarah Sternberg, the Monitoring Officer and Lisa Ingram the Deputy Monitoring Officer.
- 2.3 The Panel met on the 20<sup>th</sup> February to consider the issue of any increase to be applied to Members' Allowances in the light of the employee pay award and that the Members' Allowances Scheme did not account for the situation.
- 2.4 The IRP were provided with the following:
  - The current Members Allowances' Scheme.
  - The salary scales for NEDDC following the pay award of £1925 this year. This shows the % increase this gives to each salary grade
  - The average of the percentage increases for employees is 6.2%
  - The CPI in January 2023 for the UK is 10.5%
  - The percentage increases of a number of Councils.



- 2.5 Considering this information and after discussing the matter the IRP concluded that it should recommend 4.04% increase for the year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and that the increase should be backdated to 1<sup>st</sup> April 2022.
- 2.6 As the current Members' Allowances Scheme does not cover the situation encountered this year in relation to a flat rate increase for employees, the IRP has also recommended changing the Scheme to give an alternative increase based on scale point 43 of the employees' pay scales where it is not an overall percentage increase to scale points. This is in addition to the existing mechanism of applying the percentage increase and enables whichever is appropriate to be applied.

### **3 Reasons for Recommendation**

- 3.1 The IRP wished to maintain the Members' Allowances as near as possible at the same level as agreed in 2022 when the whole Scheme was reviewed.
- 3.2 Whilst wishing to achieve this, the IRP was conscious of balancing the increases proposed against the cost of the increase for the tax payer. They were very conscious of the current Cost of Living crisis.
- 3.3 In making their recommendation, the increases being recommended by other IRPs to other Councils were taken into account. The proposed increase was neither the highest nor the lowest but in the middle of proposed increases.
- 3.4 That the proposed amendment to the Scheme would future proof the Scheme by ensuring increases can be applied automatically as was intended in the 2022 review.
- 3.5 That the IRP believe their recommendations are realistic.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 Not to recommend an increase. This was rejected as it neither accounted for the Cost of Living Increases for Members nor did it address the fact that the current Scheme includes a mechanism for increasing the Allowances each year which this year could not be used.

## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)	
None	

# Agenda Item 16

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted