



To: Chair & Members of the Council

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Tuesday, 25 January 2022

Dear Councillor

**COUNCIL**

You are hereby summoned to attend a meeting of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Wednesday, 2nd February, 2022 at 10:00 hours.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised from page 2 onwards.

Yours faithfully

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

Solicitor to the Council & Monitoring Officer



**We speak your language**  
Polish **Mówimy Twoim językiem**  
Slovak **Rozprávame Vaším jazykom**  
Chinese **我们会说你的语言**

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## **COUNCIL AGENDA**

***Wednesday, 2 February 2022 at 10:00 hours taking place in the Council Chamber, The Arc, Clowne, Derbyshire.***

<b>Item No.</b>	<b><u>PART 1 – OPEN ITEMS</u></b>	<b>Page No.(s)</b>
<b>1.</b>	<b>Apologies For Absence</b>	
<b>2.</b>	<b>Declarations of Interest</b>  Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of:  a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.	
<b>3.</b>	<b>Chair's Announcements</b>  To receive any announcements that the Chair of the Council may desire to lay before the meeting.	
<b>4.</b>	<b>Minutes</b>  To approve the Minutes of the Council meeting held on 3 <sup>rd</sup> November 2021.	<b>5 - 10</b>
<b>5.</b>	<b>Questions from the Public</b>  In accordance with Council Procedure Rule 8, to allow members of the public to ask questions about the Council's activities for a period of up to thirty minutes. A question may only be asked if notice of twelve clear working days has been given.  a) Question submitted to the Leader of the Council by Mrs D. Dell;  b) Question submitted to the Portfolio Holder for Environmental Health and Licensing by Mr R Dell;  c) Question submitted to the Portfolio Holder for Environmental Health and Licensing by Mrs A Morgan.	<b>11 - 13</b>

<b>6.</b>	<b>Questions from Members</b>	<b>14</b>
	In accordance with Council Procedure Rule 9, to allow Members to ask questions about Council activities. A question may only be asked if notice of twelve clear working days has been given.	
	a) Question submitted by Councillor Tom Kirkham	
	b) Question submitted by Councillor Peter Roberts	
<b>7.</b>	<b>Motions</b>	<b>NONE</b>
	In accordance with Council Procedure Rule 10, to consider motions on notice from Members.	
<b>8.</b>	<b>Revocation of Air Quality Management Areas</b>	<b>15 - 71</b>
	Report of the Portfolio Holder for Environmental Health and Licensing.	
<b>9.</b>	<b>Medium Term Financial Plan 2022/23 to 2025/26</b>	<b>72 - 95</b>
	Report of the Portfolio Holder for Finance.	
<b>10.</b>	<b>Treasury Strategy Reports 2022/23 - 2025/26</b>	<b>96 - 137</b>
	Report of the Portfolio Holder for Finance.	
<b>11.</b>	<b>Sex Establishment Policy</b>	<b>138 - 193</b>
	Report of the Portfolio Holder for Environmental Health and Licensing.	
<b>12.</b>	<b>Auditor's Annual Report 2020/21</b>	<b>194 - 216</b>
	Report of the Portfolio Holder for Finance.	
<b>13.</b>	<b>Role of the Returning Officer and Interim Role of Monitoring Officer</b>	<b>217 - 220</b>
	Report of the Leader of the Council.	

## **PART TWO - EXEMPT ITEMS**

### **14. Exclusion of the Public**

To move:-

That the public be excluded from the meeting during the discussion of the following items of business to avoid the disclosure to them of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006). *[The category of exempt information is stated below each item].*

### **15. Councillor Dispensation**

221 - 229

To consider the application from a Member for dispensation from the S.85 rule of attending meetings.

APP 2 TO FOLLOW

(Paragraphs 1,2 and 3)

### **16. Chairman's Closing Remarks**



## COUNCIL

Minutes of a meeting of the Council of Bolsover District Council held in the Council Chamber, The Arc, Clowne on Wednesday 3<sup>rd</sup> November 2021 at 10:00 hours.

### **PRESENT:-**

Members:-

Councillor Tom Munro in the Chair

Councillors Rita Turner (Vice-Chair), Derek Adams, Allan Bailey, Rose Bowler, Anne Clarke, Nick Clarke, Jim Clifton, Paul Cooper, David Dixon, Maxine Dixon, Mary Dooley, David Downes, Stan Fox, Steve Fritchley, Donna Hales, Ray Heffer, Natalie Hoy, Andrew Joesbury, Chris Kane, Tom Kirkham, Duncan McGregor, Clive Moesby, Evonne Parkin, Graham Parkin, Sandra Peake, Peter Roberts, Liz Smyth, Janet Tait, Deborah Watson and Jen Wilson.

Officers: - Karen Hanson (Director of Environment and Enforcement), Theresa Fletcher (Section 151 Officer), Kevin Shillitto (Solicitor), Grant Galloway (Director of Development), Lisa Ingram (Legal Team Manager – Contentious Team), Pam Brown (Assistant Director – Leader’s Executive, Partnerships and Communications), Nicola Calver (Governance Manager) and Tom Scott (Governance Officer).

### **CL48-21/22      APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Jane Bryson, Dexter Bullock and Tricia Clough.

### **CL49-21/22      DECLARATIONS OF INTEREST**

No declarations of interest were made.

### **CL50-21/22      CHAIR'S ANNOUNCEMENTS**

The Chair was sad to report the recent passing of former Councillor Alan Tomlinson. The Chair spoke about how Alan represented Bolsover District Council and Blackwell Parish Council for many years and was the Bolsover District Councillor for the Blackwell ward from 1979 to 2015 and was Deputy Leader of Bolsover District Council from 2003 to 2015. He felt he was an instrumental voice throughout his time as a Member and always had the best interests of his constituents at heart. Alan held many positions during his time as a Councillor and was heavily involved with finance, economic development, leisure, supporting businesses, Council events and civic engagements.

The Chair stated that everyone’s thoughts and condolences were with Alan’s family, and the funeral would take place on 1pm Thursday 11<sup>th</sup> November 2021 at Swanwick crematorium.

The Chair informed Members that an Honorary Alderman presentation event had been

## **COUNCIL**

arranged to honour the 7 former Councillors awarded Honorary Alderman status at the Council meeting in March 2021. The event would take place at Van Dyk By Wildes Hotel in Clowne on 5pm Wednesday 1<sup>st</sup> December 2021, and further details on the event had been circulated via letters to all Members.

### **CL51-21/22       MINUTES**

Councillor Tom Kirkham referred to Minute Number CL38-21/22 (Minutes of Previous Meeting) of the draft 8<sup>th</sup> September 2021 minutes, and he believed the date quoted for the sale of the land at Glapwell was incorrect. The Chair stated that the Solicitor would investigate the exact date of the sale and ensure the minutes included the correct date.

Councillor Steve Fritchley (Leader of the Council) referred to a paragraph at the end of Minute Number CL46-21/22 (Local Government Reorganisation) which read: "In response to a query from Councillor Peter Roberts regarding funding, the Leader explained that he did not have the answer going forward." Councillor Steve Fritchley did not believe he stated this. The Chair confirmed this would be removed.

Subject to these amendments, the minutes were moved by Councillor Ray Heffer and seconded by Councillor Derek Adams.

**RESOLVED** that the minutes of Council on 8<sup>th</sup> September 2021 be approved as a true and correct record.

### **CL52-21/22       QUESTIONS FROM THE PUBLIC**

In accordance with Council Procedure Rule 8, Members of the Public were able to ask questions to an Executive Member about the Council's activities for a period of up to 15 minutes.

The Chair indicated that no questions had been submitted.

### **CL53-21/22       QUESTIONS FROM MEMBERS**

In accordance with Council Procedure Rule 9, Members of Council were able to ask questions about the Council's activities to either the Chair of the Council, the Chairman of a specific Committee or a relevant Portfolio Holder.

The Chair indicated that no questions had been submitted.

### **CL54-21/22       MOTIONS**

In accordance with Council Procedure Rule 10, Councillors were able to submit Motions on Notice for consideration at this meeting.

The Chair indicated that no motions had been submitted.

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### **CL55-21/22      REPORTS ON URGENCY DECISIONS TAKEN BY THE EXECUTIVE**

The Governance Manager presented a report to inform Council of one decision taken under urgency provisions within the Council's Executive Procedure Rules. Appendix 1 to the report explained the decision, which was taken by the Section 151 Officer on 29<sup>th</sup> September 2021 to obtain retrospective approval for the annual renewal of the insurance policies.

The recommendation to note the report was moved by Councillor Duncan McGregor (Deputy Leader of the Council) and seconded by Councillor Steve Fritchley (Leader of the Council).

**RESOLVED** that the report be noted.

(Monitoring Officer/Governance Manager)

### **CL56-21/22      APPOINTMENT OF AUDITORS 2023-2028**

Councillor Clive Moesby (Portfolio Holder – Finance) presented a report regarding the decision for whether the Council should opt-in to the national arrangement for the procurement of external audit, or procure external audit services independently. The report recommended that opting-in to the national scheme would be in the best interests of the Council, for the reasons summarised in section 2.10.

The recommendation in the report was moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor.

**RESOLVED** that Council agrees to accept the invitation to become an opted-in authority for the audit years 2023/2024 to 2027/2028 for the purposes of the appointment of our auditor under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

(Section 151 Officer)

### **CL57-21/22      PROPORTIONALITY AND CHANGE OF COMMITTEE SEATS**

Councillor Steve Fritchley (Leader of the Council) presented a report to make amendments to the appointment of Members to the Council's Committees and Advisory Groups for the 2021/22 Municipal Year following a change to the Council's political groups affecting proportionality.

It was moved by Councillor Steve Fritchley and seconded by Councillor Tom Munro to:

1. Remove Councillor Liz Smyth from Employee Appeals Committee and replace her with Councillor Deborah Watson (with Councillor Ray Heffer as substitute).
2. Remove Councillor Liz Smyth from Employment and Personnel Committee and replace her with Councillor Deborah Watson.

Councillor Steve Fritchley stated that this would also mean rejecting the proportionality allocation numbers detailed in Appendix 1.

## **COUNCIL**

### **RESOLVED** that:

- (i) The proportionality set out in Appendix appointments to committees as set out in Appendix 1 be rejected;
- (ii) The appointment to committees as set out in Appendix 2 be agreed with the following changes made:
  - 1. Remove Councillor Liz Smyth from Employee Appeals Committee and replace her with Councillor Deborah Watson (with Councillor Ray Heffer as substitute);
  - 2. Remove Councillor Liz Smyth from Employment and Personnel Committee and replace her with Councillor Deborah Watson.

(Monitoring Officer/Governance Manager)

### **CL58-21/22                      MEMBER DEVELOPMENT 2020-2021 ANNUAL REPORT**

Councillor Sandra Peake (Portfolio Holder – Housing) presented a report to consider the Member Development work that was undertaken during the municipal year 2020/21.

The recommendation to note the report was moved by Councillor Sandra Peake and seconded by Councillor Duncan McGregor.

**RESOLVED** that the Member Development Annual Report 2020/21 be noted.

(Governance Manager)

### **CL59-21/22                      THE MEDIUM TERM FINANCIAL STRATEGY 2022/23 - 2025/26**

Councillor Clive Moesby (Portfolio Holder – Finance) presented a report to provide a Medium Term Financial Strategy to Members to allow them to set the four year strategic financial intention for the General Fund of the Council for the 2022/23 – 2025/26 MTFP process.

The six recommendations in the report were moved by Councillor Clive Moesby and seconded by Councillor Chris Kane.

### **RESOLVED** that:

- (i) Members approve the Medium Term Financial Strategy at Appendix 1.
- (ii) The Council continues to fund the General Fund revenue base budget from the full amount of New Homes Bonus allocated by Government.
- (iii) Council sets the strategic intention to continue to be a member of the Derbyshire Business Rates Pool while ever it is financially advantageous for the Council to do so.
- (iv) Council sets the strategic intention to raise Council Tax by the maximum allowed in

## **COUNCIL**

any given year, without triggering a Council Tax referendum, to endeavour to continue to deliver services. (The actual Council Tax for any given year will be decided by Council in the preceding March).

(v) The Council maintains a policy of a minimum level of Balances for the General Fund of £2m.

(vi) The Section 151 Officer continues with the LGI Financial Resilience Service subscription to Benchmark Bolsover District Council and thus demonstrate that requirements of the CIPFA Financial Management Code are being met.

(Section 151 Officer)

### **CL60-21/22                      EXCLUSION OF THE PUBLIC**

Councillor Duncan McGregor moved and Councillor Ray Heffer seconded that the public be excluded from the meeting during the discussion of the following items of business to avoid the disclosure to them of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006).

On being put to the vote it was **RESOLVED** that the public be excluded from the meeting during discussion of the following items of business.

### **CL61-21/22                      RECOMMENDATIONS FROM EMPLOYMENT AND PERSONNEL COMMITTEE - STRUCTURE CHANGES**

Councillor Duncan McGregor presented a report for Council to give consideration to the proposals made and agreed at Employment and Personnel Committee on 23<sup>rd</sup> September 2021 for changes to structure within the establishment.

The recommendation in the report was moved by Councillor Duncan McGregor and seconded by Councillor Steve Fritchley.

**RESOLVED** that Council approves the growth in salary budgets as set out in the report as recommended by Employment and Personnel Committee.

(Governance Manager)

### **CL62-21/22                      SENIOR MANAGEMENT REVIEW**

Councillor Steve Fritchley (Leader of the Council) presented a report to provide Council with an update on the Senior Management Review and seek approval to implement the proposed changes outlined within the report.

The Leader of the Council felt that the proposals in the report relating to the Senior Management Review presented an opportunity to enhance the flexibility of the Council's management structure, and the proposal on a staff remuneration review would aim to give staff the reward they deserve.

## **COUNCIL**

Councillor Steve Fritchley moved and Councillor Duncan McGregor seconded the 8 recommendations in the report.

**RESOLVED** that Council approves:

- (i) The disestablishment of the remaining 50% of the Joint Assistant Director of Transformation and Organisation post
- (ii) The reallocation of services, previously falling to the Joint Assistant Director of Transformation and Organisation as outlined in Appendix 1
- (iii) A review of the existing post of Leisure Operations Manager to take account of additional strategic duties
- (iv) The establishment of a Bolsover District Council post of Assistant Director of Street Scene and the disestablishment of the BDC 50% element of the post of Joint Assistant Director of Street Scene
- (v) The establishment of single Bolsover District Council post of Assistant Director of Corporate Governance and Monitoring Officer and the disestablishment of the BDC 50% element of the post of Joint Assistant Director of Corporate Governance and Monitoring Officer
- (vi) A review of staff remuneration across all levels and grades within the Council
- (vii) A review of remuneration of the Senior Management Team including the statutory posts
- (viii) Delegation to the Council's Head of Paid Service in consultation with the Leader to implement the proposals outlined within this report.

(Executive Director of Resources and Head of Paid Service)

**CL63-21/22**

### **CHAIRMAN'S CLOSING REMARKS**

The Chair informed Members that remembrance poppies were now on sale, and encouraged them to attend his laying of the wreath outside The Arc on 11<sup>th</sup> November 2021.

The Chair stated he was going with Councillor Duncan McGregor for the awarding of a Queen's Award in Stepney, and he was honoured to be invited to the presentation.

The Chair informed Members that a protest about Universal Credit would take place at Shirebrook market on 9.30am Friday 5<sup>th</sup> November 2021.

The meeting concluded at 1055 hours.

### **Question submitted to the Leader of the Council by Mrs D. Dell**

I would like to know please, what steps Bolsover District Council intends to take to ensure that their information is more readily accessible to the public and is kept updated so that it is correct?

Within Vision Bolsover, it states:

*“Our Priorities: .....Improving customer contact and removing barriers to accessing information”*

In particular, that its website is checked regularly for broken and indirect links, and that meeting agendas are published further ahead of the meeting than the deadline for submission of questions.

To explain what I mean by indirect links, if clicking takes you e.g to ‘Bolsover tv’ but not to the episode explaining the Vision Bolsover, and/or you have to scroll down far to see the item you are looking for, this makes it hard or impossible to find.

As regards accessibility, I have also not found any options for varying text size or a read-aloud facility although the language choice is excellent.

**Question submitted to the Portfolio Holder for Environmental Health and  
Licencing by Mr R. Dell**

I accept that the World Health Organisation (WHO) only offer advice, but their recommendations are usual accepted globally.

On the 22<sup>nd</sup> September 2021 they published their new guidelines on Air Pollution levels, supplanting their own levels of 2006. In these they recommended fine particulate matter (PM 2.5) to 10 microns per metre cubed ambient and 2.5 microns per 24hours.

At any one testing site the WHO recommend that the following four gases are tested:

Ozone, Nitrogen Dioxide, Sulphur Dioxide and Carbon Monoxide.

This is because each is harmful in itself and harmful combined.

BDC only publish levels for Nitrogen Dioxide and then using the old guidelines. At the new WHO levels the BDC published Nitrogen Dioxide level now falls outside the requirements.

The above four gases are seriously harmful and continue to threaten particularly “pregnant women, young babies and toddlers,” Will the Council increase the scope of its Air Pollution monitoring bearing in mind Death by Air Pollution is now established as a Coroner’s verdict?



**Question submitted to the Portfolio Holder for Environmental Health and  
Licencing by Mrs A Morgan**

Will BDC please plant many more trees in Barlborough and elsewhere, specifically chosen and located to maximise capturing pollution arising from road traffic and protecting homes, children's nurseries and schools from pollution?

This will have health benefits for years to come and needs to be started urgently as the trees take time to grow to an effective size.

As a resident of Clay Pit Way Barlborough for 20 years this year, I have noticed a huge increase in the amount of vehicle exhaust fallout in the air and in my home. I have black particles on internal windowledges. Traffic along Oxcroft Way and surrounding the Links Estate has multiplied during this time and is now posing a serious health risk. We are surrounded on 3 sides by busy roads. Traffic around schools and nurseries has also increased enormously.

We know that trees soak up carbon dioxide, sulphur dioxide, ammonia and particulates through their leaves, bark and roots. They also provide sanctuary for wildlife. Trees slow climate change and reduce global warming.

World Health Organisation pollution limits to human safety have been reduced. Roads with heavy traffic are dangerous to human health and Barlborough is a pollution hotspot.

**a) Question submitted by Councillor Tom Kirkham**

Last summer the sale of land at the top of Park Ave in Glapwell raised around a quarter of a million pounds for Bolsover District Council. What has this money been spent on?

**b) Question submitted by Councillor Peter Roberts to the Leader of the Council**

The council meeting 22 July 2020 we agreed a rent for new builds in Whitwell, not at market rate but at an affordable rate, however as I understand it we are charging more than the market rate, which is not what I voted for. Can it be explained the reasons why we have this apparent disparity of rent against the rent we had agreed.

## **Bolsover District Council**

### **Council**

**2 February, 2022**

## **REVOCATION OF AIR QUALITY MANAGEMENT AREAS**

### **Report of the Portfolio Holder for Environmental Health and Licensing**

**Classification:** This report is public

**Report By:** Matt Finn, Service Manager (Environmental Health)

**Contact Officer:** Elizabeth Sellers, Environmental Health Officer / Paul Denton, Environmental Health Team Manager

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### **PURPOSE / SUMMARY**

To make Orders under the Environment Act 1995 to revoke the South Normanton and Barlborough Air Quality Management Areas.

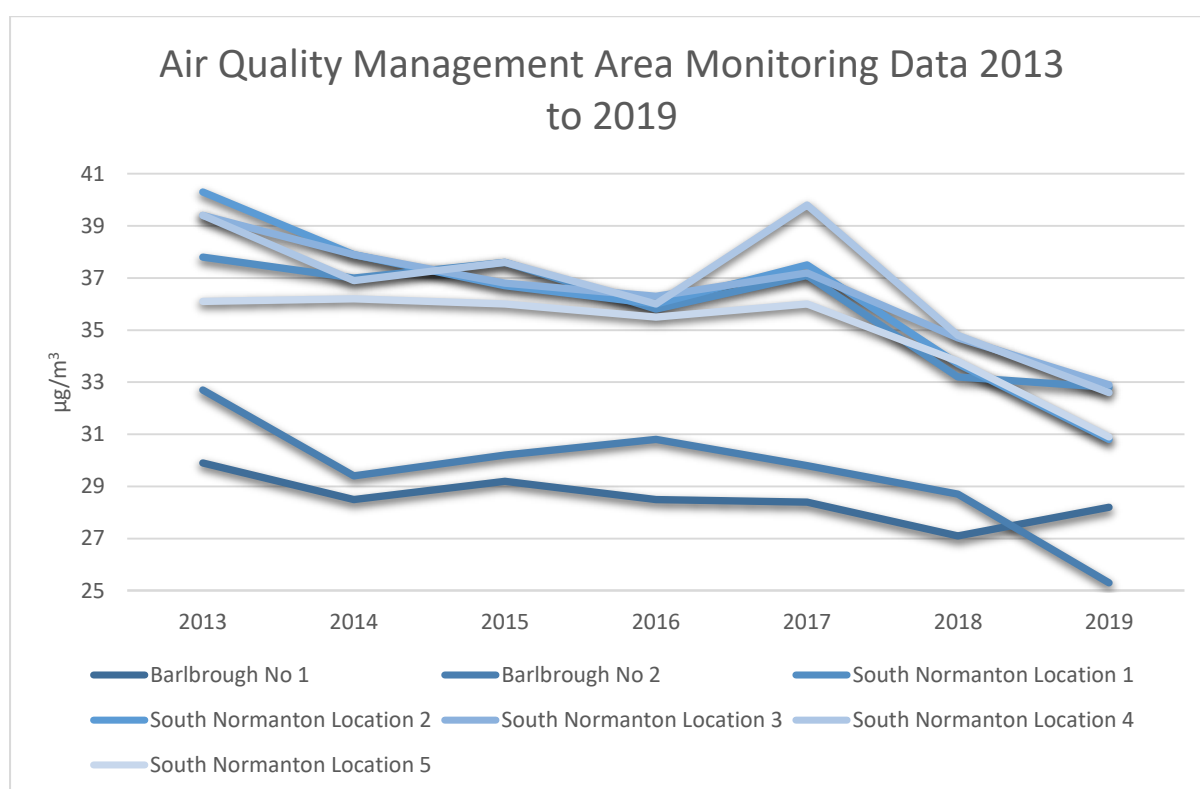
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### **REPORT DETAILS**

#### **1 Background**

- 1.1 Bolsover District Council has a duty under the Environment Act 1995 to assess air quality under the Local Air Quality Management regime, and to implement Air Quality Management Areas (AQMA's) where there are exceedances of the Government's Air Quality Objectives. Status Reports are prepared annually and published through the Council's website to ensure the public are kept informed of the air quality in the district.
- 1.2 Between 2001 and 2007 three AQMA's were declared due to high levels of Nitrogen Dioxide in the air outside a small number of residential properties, and levels which were well above the national Air Quality Objectives of 40 µg/m<sup>3</sup> (micrograms per cubic metre). These AQMA's are known as Barlborough No1, Barlborough No2, and South Normanton. Maps of these AQMA's can be found with the draft revocation orders in Appendix 1.
- 1.3 These formal declarations were accompanied by action plans to tackle poor air quality, in partnership with internal partners and Derbyshire County Council.

- 1.4 Since the AQMA's were declared the Council and partners have used a mixture of local planning policy and road network management to compliment changes to vehicle technology, to assist in reducing pollution levels in the areas.
- 1.5 As can be seen in Figure 1 below, there have been significant reductions over the previous 7 years in pollution levels, with the annual mean being well below the 40  $\mu\text{g}/\text{m}^3$  limit.
- 1.6 In Barlborough the most recent data shows levels of 28.2  $\mu\text{g}/\text{m}^3$  and 25.3  $\mu\text{g}/\text{m}^3$ . In South Normanton the levels have fallen to between 30.8  $\mu\text{g}/\text{m}^3$  and 32.8  $\mu\text{g}/\text{m}^3$ . These reductions are also showing a continual annual reduction, as can be seen in Figure 1 below.



**Figure 1 Annual Mean Nitrogen Dioxide Concentration in the Air Quality Management Areas 2013 – 2019**

- 1.7 The Council's monitoring data for all the AQMA's has been independently verified and subject to critical review by an independent consultancy (Appendix 2 and 3), which confirms the recommendations in this report.
- 1.8 Due to the prolonged period that the concentrations have been significantly below the Air Quality Objective in the AQMA's, confidence is high that that the reductions are permanent. It should also be noted that the data on which these reductions have been based, originate from before the Coronavirus pandemic reduced traffic volumes.

- 1.8 The specific reasons for the reductions are likely to be a combination of factors, but the key reason will be the reduction in the number of older, more polluting vehicles and improvements in the emission standards for newer vehicles.
- 1.9 A statutory public consultation took place for 12 weeks for each AQMA on whether they should be revoked. The Barlborough AQMA's were subject to a consultation in 2019 and the South Normanton consultation took place in March 2021. The following stakeholders were approached for their views and the consultation was published on the Ask Derbyshire website:
- Highways Agency
  - Derbyshire County Council
  - Director of Public Health
  - Environment Agency
  - Elected Members of Bolsover District Council (Barlborough, South Normanton East and Pinxton Wards, as appropriate)
  - Leader of the Council
  - Secretary of State for the Environment
  - Member of Parliament
  - Barlborough Parish Council (regarding the Barlborough AQMA's)
  - South Normanton Parish Council (regarding the South Normanton AQMA)
  - Pinxton Parish Council (regarding the South Normanton AQMA)
  - Amber Valley Borough Council
  - Ashfield District Council
  - Bassetlaw District Council
  - Chesterfield Borough Council
  - Mansfield District Council
  - Rotherham Metropolitan Borough Council
  - Public (via Ask Derbyshire)
- 1.10 The responses to the consultations can be found in Appendix 4. While concerns were raised about the cessation of monitoring and risks future development may bring in Barlborough, there were no responses indicating a need to continue with any of the AQMA's.
- 1.11 Monitoring at these locations will continue (although at a reduced capacity to allow for other locations of concern to be monitored) so that the Council can continue to measure the air quality in the areas and consider future actions based on those results. Data on air quality in these areas is also published on the Council's website, in the Annual Status Report.

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

- 2.1 Further to the positive responses to the consultation and the outcome of the independent reviews, it is proposed that three Revocation Orders are made, as per the drafts in Appendix 1. These will be:

- The South Normanton Air Quality Management Area (Revocation Order) 2022;
- The Barlborough No1 Air Quality Management Area (Revocation Order) 2022;
- The Barlborough No2 Air Quality Management Area (Revocation Order) 2022;

### **3 Reasons for Recommendation**

- 3.1 Air quality monitoring data from all the current Air Quality Management Areas has shown levels of Nitrogen Dioxide to be well within the national Air Quality Objectives for at least the last seven years and to be continually reducing over this period. This pattern is expected to continue with improving vehicle technologies.

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

- 4.1 The only alternative would be to keep the AQMA's in place. There is no justification for this as the purpose of an AQMA is to enable actions to be prioritised by the local authority to tackle high levels of Nitrogen Dioxide exceeding the annual mean Air Quality Objective.

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## **RECOMMENDATIONS**

1. That the Council note the significant improvements in air quality within the district, the outcome of the independent reviews and public consultations.
2. That the Council makes orders to revoke the three Air Quality Management Areas under section 83 of the Environment Act 1995.

Approved by the Portfolio Holder – Environmental Health and Licensing

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## **IMPLICATIONS**

**Finance and Risk:** Yes ☐ No ☒

**Details:**

There are no grant monies and no financial risks associated with this decisions

On Behalf of the Section 151 Officer

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

**Details:**

There are no legal risks associated with this report or decision.

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

There are no staffing implications of this report.

On behalf of the Head of Paid Service

## 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>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <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> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input checked="" type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input checked="" type="checkbox"/> Other <input type="checkbox"/>	Yes  Details: Councillor Watson Public consultation included elected members

**Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.**

**Environment:** Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same.

## DOCUMENT INFORMATION

Appendix No	Title
1	Draft Air Quality Management Area Revocation Orders.
2	Barlborough Air Quality Management Area review report.
3	South Normanton Air Quality Management Area review report.
4	Consultation responses summary.
<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 (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
DEFRA website and public documents for Air Quality Management Area Orders. <a href="https://uk-air.defra.gov.uk/aqma/">https://uk-air.defra.gov.uk/aqma/</a>	



## **APPENDIX 2 – DRAFT REVOCATION ORDERS**

### **BOLSOVER DISTRICT COUNCIL ORDER 2021 ENVIRONMENT ACT 1995 Part IV SECTION 83(2)(b) ORDER REVOKING AN AIR QUALITY MANAGEMENT AREA**

Bolsover District Council, in exercise of the powers conferred on it by Section 83(2)(b) of the Environment Act 1995 HEREBY makes the following order:-

1. This order shall revoke the area known as the South Normanton Air Quality Management Area for nitrogen dioxide, an area encompassing twelve properties and their gardens, 1-23 odd Carter Lane East, South Normanton on the east side of the M1 Motorway. The area extends 100m east of the main carriageway not the sliproad, as shown on the attached map.
2. The order shall come into force on DATE

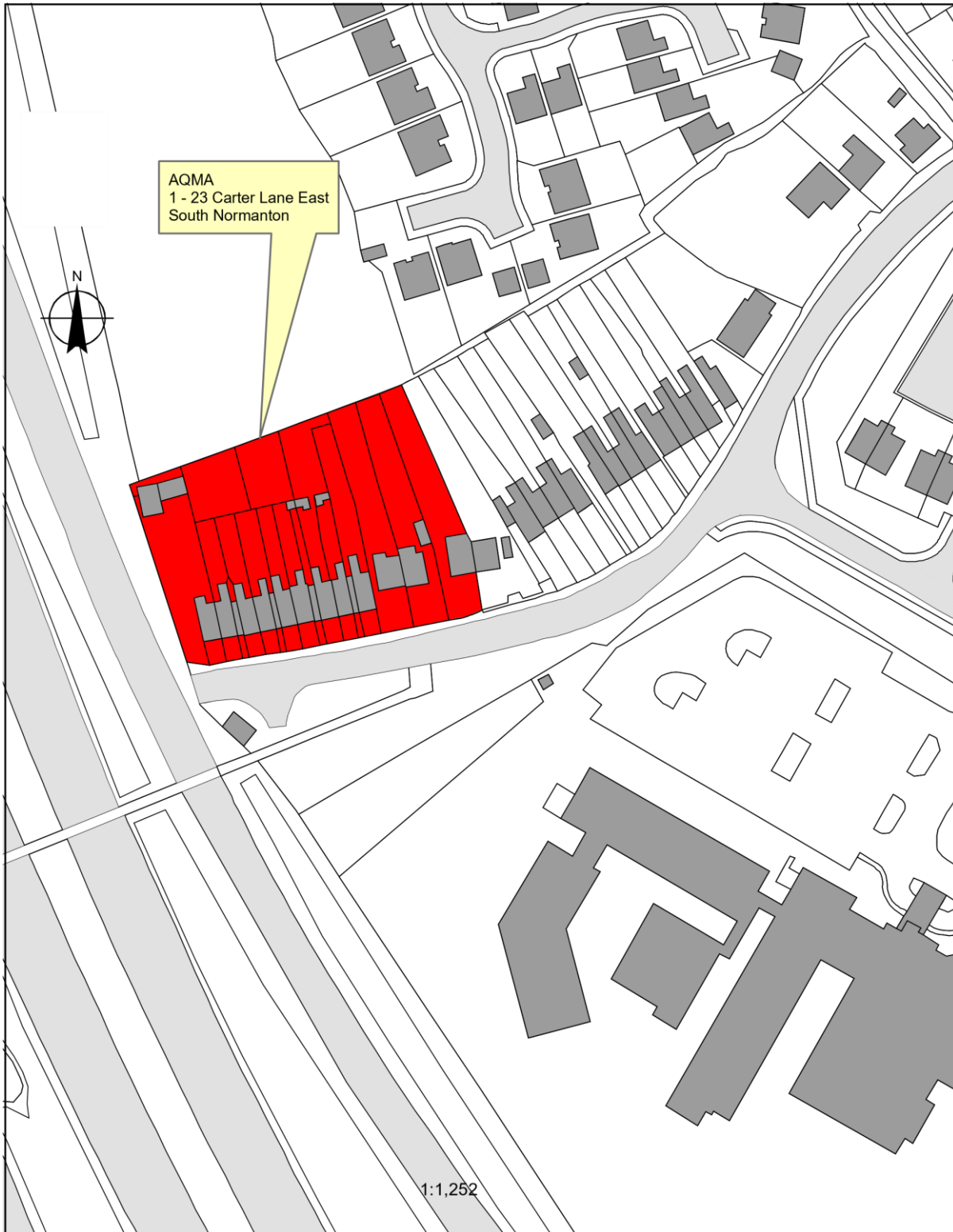
The Common Seal of  
BOLSOVER DISTRICT COUNCIL

Was hereunto affixed

In the presence of:

Signed:.....

Date:.....



**BOLSOVER DISTRICT COUNCIL ORDER 2021**  
**ENVIRONMENT ACT 1995 Part IV SECTION 83(2)(b)**  
**ORDER REVOKING AN AIR QUALITY MANAGEMENT AREA**

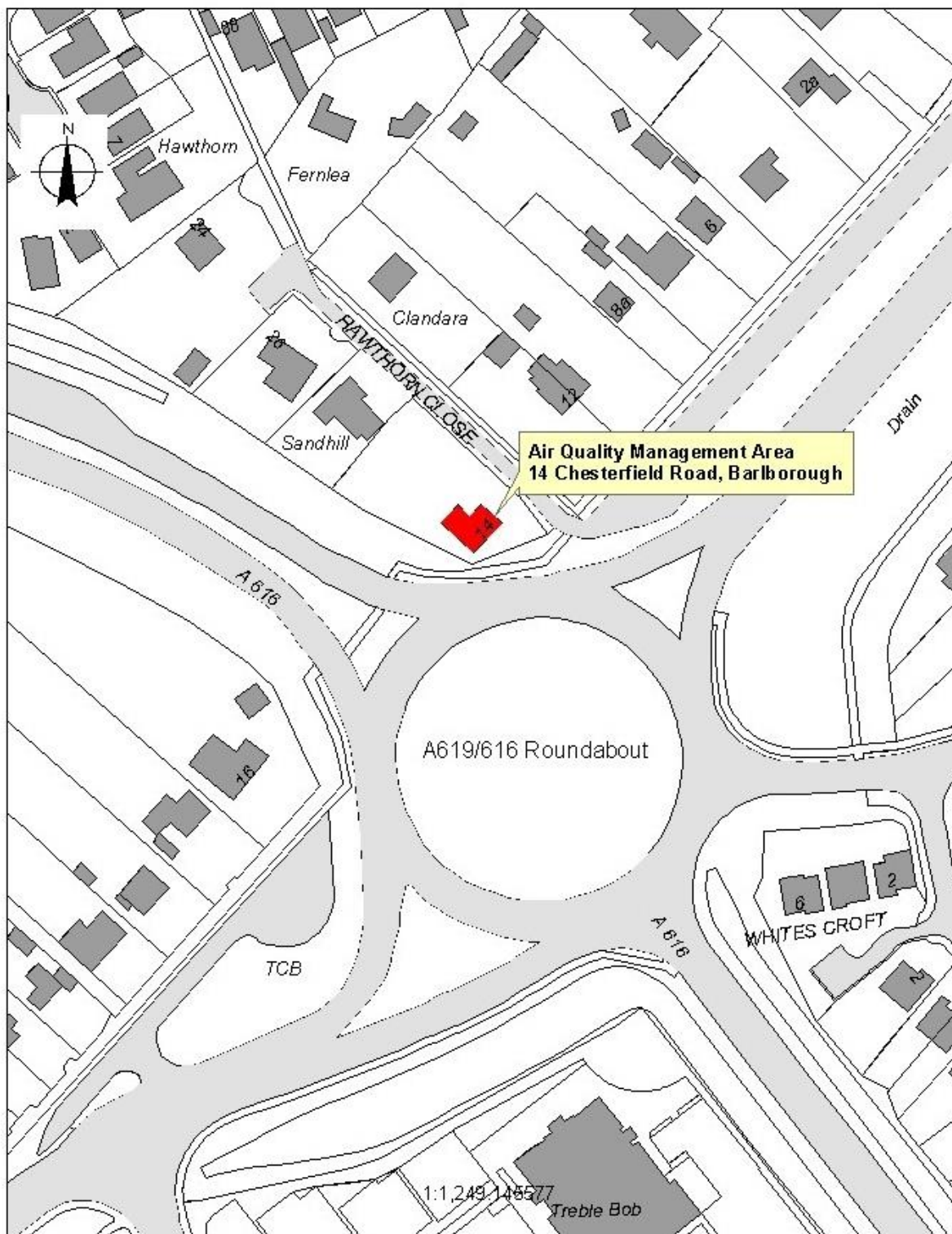
Bolsover District Council, in exercise of the powers conferred on it by Section 83(2)(b) of the Environment Act 1995 HEREBY makes the following order:-

3. This order shall revoke the area known as the Barlborough No1 Air Quality Management Area for nitrogen dioxide encompassing a single property adjacent to the A619/616 roundabout in Barlborough, as shown on the attached map.
  
4. The order shall come into force on DATE

The Common Seal of  
BOLSOVER DISTRICT COUNCIL  
Was hereunto affixed  
In the presence of:

Signed:.....

Date:.....



# **AIR QUALITY MANAGEMENT AREA ORDER 2005 (BARLBOROUGH 1)**

Environmental Health  
and Street Services

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Bolsover, Chesterfield, Derbyshire. S44 6MF  
Tel 01246 240000 Fax 01246 242424

**BOLSOVER DISTRICT COUNCIL ORDER 2021**  
**ENVIRONMENT ACT 1995 Part IV SECTION 83(2)(b)**  
**ORDER REVOKING AN AIR QUALITY MANAGEMENT AREA**

Bolsover District Council, in exercise of the powers conferred on it by Section 83(2)(b) of the Environment Act 1995 HEREBY makes the following order:-

1. This order shall revoke the area known as the Barlborough NO2 Air Quality Management Area for nitrogen dioxide, an area encompassing 5 residential dwellings on Orchard Close, Barlborough where the western property boundaries border the M1.
  
2. The order shall come into force on DATE

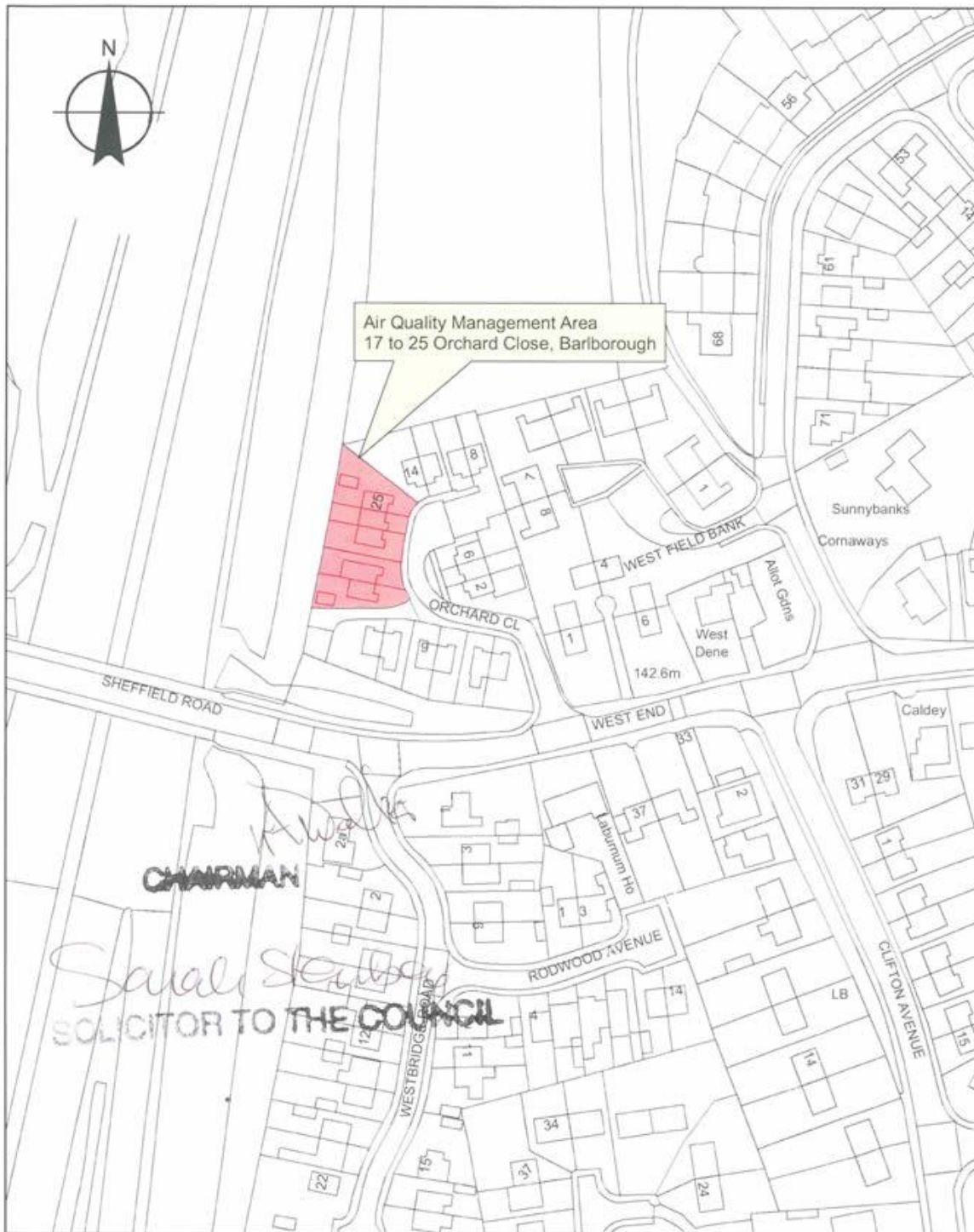
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In the presence of:

Signed:.....

Date:.....



# AREA QUALITY MANAGEMENT AREA ORDER (BARLBOROUGH 2)



Environmental Health And Street Services

1:1,391.524212

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**Bolsover District Council**

**Air Quality Management Area Review – Detailed  
Assessment**

February 2018

***Move Forward with Confidence***





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## Document Control Sheet

Identification	
<b>Client</b>	Bolsover District Council
<b>Document Title</b>	Air Quality Management Area Review - Detailed Assessment
<b>Bureau Veritas Project No.</b>	AIR6468884

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1	16/10/2017	Joanne Davies	-	Draft for comments
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<b>Prepared By</b>	Joanne Davies	Consultant	
<b>Approved By</b>	Jamie Clayton	Principal Consultant	

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## Executive Summary

Bureau Veritas was appointed by Bolsover District Council (BDC) to review the air quality management areas (AQMA) declared within the borough with a view to informing the proposed revocation of the AQMA. Air quality monitoring data from the June 2017 Annual Status Report (ASR) within the proximity of each AQMA was reviewed to evaluate the general trends in the last five years.

It is possible to revoke AQMA through analysis of monitoring data and local development information alone, therefore a review of each AQMA has been undertaken; taking into consideration the monitored pollutant level trends, the proximity of other AQMA boundaries, any changes to land use and any potential future development.

The local authority has 3 AQMA, two of the sites are small groups of houses close to the M1 motorway (South Normanton and Barlborough AQMA No. 2), with the third AQMA (Barlborough AQMA No.1) based on a single property close to a roundabout leading to the M1 motorway.

Following a review of local NO<sub>2</sub> monitoring trend data and consideration of other known proposed developments it is considered that two of the AQMA; Barlborough AQMA 1 & 2, should be revoked and diffusion tube monitoring reduced. Following a notable exceedance in 2017 at the AQMA at South Normanton, it is recommended that the AQMA remains. It is considered that some diffusion tube monitoring should continue at each of the three sites in order to monitor impacts from any future developments, notably the large-scale December 2017 planning application for Clowne Garden Village, as well as impacts from the M1 motorway's conversion to a smart motorway.

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# 1 Introduction

## 1.1 Project Background Scope of Assessment

Bureau Veritas has been commissioned by Bolsover District Council (BDC) to undertake a review of the three long standing Air Quality Management Areas (AQMA) declared within the borough, with a view to informing their proposed revocation.

The AQMA, all declared as a result of road traffic emissions in relation to annual mean Air Quality Objective (AQO) for NO<sub>2</sub>, are located as follows:

- **South Normanton AQMA** - Located to the east of southbound M1 exit slip road at Junction 28 (South Normanton);
- **Barlborough AQMA No. 1** – a single property close to, and located north east of a roundabout leading to the Motorway and the A619 in Barlborough, near to Junction 30; and
- **Barlborough AQMA No. 2** – Located to the East of the Motorway close to Junction 30 in Barlborough.

No exceedences of the annual mean AQO have been recorded in two of the AQMA since 2012. The South Normanton AQMA similarly reported no exceedences since 2013, however, indicative 2017 data showed mostly increased emission results compared to previous years together with one exceedance of the AQO. The BDCs 2017 Annual Status Report (ASR) recommended that the Council commences the procedure for revoking the AQMA by undertaking a detailed assessment at the earliest opportunity, however this was concluded ahead of the 2017 exceedence data.

The delay in undertaking the detailed assessment has been for the following reasons;

- to ensure that the apparent reduction was not just because of the reported year on year variations due to meteorological factors; and,
- the M1 motorway, which is a major traffic source at all three AQMA, has for at least 18 months prior to April 2016, been subjected to extensive road works involving 50mph speed limits and lane closures during its conversion to a 4-lane smart motorway.

It was therefore recommended that the detailed assessment decision was delayed until there was at least one year of monitoring data since the opening of the smart motorway to ensure that the road works and reduced speed limits had not artificially reduced the NO<sub>2</sub> concentrations for the temporary conversion period only.

Following appraisal of BDCs 2017 Annual Status Report (ASR) Defra provided the following response in relation to revocation of the AQMAs:

*“We agree with the Council’s proposal to consider revoking the three AQMA’s...The Council may decide between a screening assessment using the current monitoring, or carry out a further assessment to ratify the recent results if there is reasonable doubt over the monitoring results”*

## 1.2 Scope of Review

This report has addressed the comments above based on the following scope:

- Summarise the AQMA history of Bolsover District Council (BDC);
- Assess the monitored pollutant trend data within each AQMA since declaration;
- Review the locations of each AQMA and proximity to other AQMA boundaries;
- Detail any land use changes within and surrounding the declared AQMAs; and,
- Provide recommendations for revoking any/all of the AQMAs.

## 2 Air Quality – Legislative Context

### 2.1 Air Quality Strategy

The importance of existing and future pollutant concentrations can be assessed in relation to the national air quality standards and objectives established by Government. The Air Quality Strategy<sup>1</sup> (AQS) provides the over-arching strategic framework for air quality management in the UK and contains national air quality standards and objectives established by the UK Government and Devolved Administrations to protect human health. The air quality objectives incorporated in the AQS and the UK Legislation are derived from Limit Values prescribed in the EU Directives transposed into national legislation by Member States.

The CAFE (Clean Air for Europe) programme was initiated in the late 1990s to draw together previous directives into a single EU Directive on air quality. The CAFE Directive<sup>2</sup> has been adopted and replaces all previous air quality Directives, except the 4th Daughter Directive<sup>3</sup>. The Directive introduces new obligatory standards for PM<sub>2.5</sub> for Government but places no statutory duty on local government to work towards achievement of these standards.

The Air Quality Standards (England) Regulations<sup>4</sup> 2010 came into force on 11 June 2010 in order to align and bring together in one statutory instrument the Government's obligations to fulfil the requirements of the new CAFE Directive.

The objectives for ten pollutants – benzene (C<sub>6</sub>H<sub>6</sub>), 1,3-butadiene (C<sub>4</sub>H<sub>6</sub>), carbon monoxide (CO), lead (Pb), nitrogen dioxide (NO<sub>2</sub>), sulphur dioxide (SO<sub>2</sub>), particulate matter - PM<sub>10</sub> and PM<sub>2.5</sub>, ozone (O<sub>3</sub>) and Polycyclic Aromatic Hydrocarbons (PAHs), have been prescribed within the AQS<sup>2</sup>.

The EU Limit Values are considered to apply everywhere with the exception of the carriageway and central reservation of roads and any location where the public do not have access (e.g. industrial sites).

The AQS objectives apply at locations outside buildings or other natural or man-made structures above or below ground, where members of the public are regularly present and might reasonably be expected to be exposed to pollutant concentrations over the relevant averaging period. Typically these include residential properties and schools/care homes for long-term (i.e. annual mean) pollutant

---

<sup>1</sup> The Air Quality Strategy for England, Scotland, Wales and Northern Ireland (2007), Published by Defra in partnership with the Scottish Executive, Welsh Assembly Government and Department of the Environment Northern Ireland

<sup>2</sup> Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe.

<sup>3</sup> Directive 2004/107/EC of the European Parliament and of the Council of 15 December 2004 relating to arsenic, cadmium, mercury, nickel and polycyclic hydrocarbons in ambient air.

<sup>4</sup> The Air Quality Standards Regulations (England) 2010, Statutory Instrument No 1001, The Stationary Office Limited.

objectives and high streets for short-term (i.e. 1-hour) pollutant objectives. Table 1 taken from LAQM.TG(16)<sup>1</sup>, provides an indication of those locations that may or may not be relevant for each averaging period.

This assessment focuses on the NO<sub>2</sub> annual mean data, as this is the pollutant of most concern within the Council's administrative area. Moreover, as a result of traffic pollution, the UK has failed to meet the EU Limit Values for NO<sub>2</sub> by the 2010 target date. As a result, the Government has had to submit time extension applications for compliance with the EU Limit Values. Continued failure to achieve these limits may lead to EU fines. The AQS objectives for these pollutants are presented in Table 2.

**Table 1 - Examples of where the Air Quality Strategy Objectives should apply**

Averaging Period	Objectives should apply at:	Objectives should generally not apply at:
Annual mean	All locations where members of the public might be regularly exposed Building facades of residential properties, schools, hospitals, care homes etc.	Building facades of offices or other places of work where members of the public do not have regular access. Hotels, unless people live there as their permanent residence. Gardens of residential properties. Kerbside sites (as opposed to locations at the building façade), or any other location where public exposure is expected to be short term
24-hour mean and 8-hour mean	All locations where the annual mean objectives would apply, together with hotels. Gardens or residential properties <sup>1</sup> .	Kerbside sites (as opposed to locations at the building façade), or any other location where public exposure is expected to be short term.
1-hour mean	All locations where the annual mean and 24 and 8-hour mean objectives would apply. Kerbside sites (e.g. pavements of busy shopping streets). Those parts of car parks, bus stations and railway stations etc. which are not fully enclosed, where the public might reasonably be expected to spend one hour or more. Any outdoor locations at which the public may be expected to spend one hour or longer.	Kerbside sites where the public would not be expected to have regular access.
15-minute mean	All locations where members of the public might reasonably be expected to spend a period of 15 minutes or longer.	

<sup>1</sup> For gardens and playgrounds, such locations should represent parts of the garden where relevant public exposure is likely, for example where there is seating or play areas. It is unlikely that relevant public exposure would occur at the extremities of the garden boundary, or in front gardens, although local judgement should always be applied.

**Table 2 - Relevant AQS Objectives for NO<sub>2</sub>**

Pollutant	AQS Objective	Concentration Measured as:	Date for Achievement
Nitrogen Dioxide (NO <sub>2</sub> )	200µg/m <sup>3</sup> not to be exceeded more than 18 times per year	1-hour mean	31 <sup>st</sup> December 2005
	40µg/m <sup>3</sup>	Annual mean	31 <sup>st</sup> December 2005

## 2.2 Local Air Quality Management (LAQM)

Part IV of the Environment Act 1995<sup>5</sup> places a statutory duty on local authorities to periodically Review and Assess the current and future air quality within their area, and determine whether they are likely to meet the AQS objectives set down by Government for a number of pollutants – a process known as Local Air Quality Management (LAQM). The AQS objectives that apply to LAQM are defined for seven pollutants: benzene, 1,3-butadiene, carbon monoxide, lead, nitrogen dioxide, sulphur dioxide and particulate matter.

Where the results of the Review and Assessment process highlight that problems in the attainment of health-based objectives for air quality will arise, the authority is required to declare an Air Quality Management Area (AQMA) – a geographic area defined by high concentrations of pollution and exceedances of health-based standards.

## 2.3 Summary of AQMAs

The Council completed all the rounds of LAQM Review and Assessment as required by Part IV of the Environment Act 1995, up to the 2017 Annual Status Report which was completed in April 2017.

Between 2004 and 2007, Bolsover District Council declared three AQMAs following assessment of air quality under the LAQM regime. The three AQMAs identified were due to the exceedances of annual mean AQO for NO<sub>2</sub> from road traffic emissions. A summary of the AQMAs is presented in Table 3.

**Table 3 - Air Quality Management Areas in Bolsover District Council**

AQMA Name	Pollutants and Air Quality Objectives	Year Declared	Description
South Normanton AQMA	NO <sub>2</sub> Annual Mean	2004	An area encompassing twelve properties to the east of the M1, extending 100m east of the carriageway
Barlborough AQMA No 1	NO <sub>2</sub> Annual Mean	2005	A single property located adjacent to the A619/616 roundabout
Barlborough AQMA No 2	NO <sub>2</sub> annual mean	2007	An area encompassing five properties where the boundaries border the M1 to the west

<sup>5</sup> Environment Act, Part IV 1995 (<http://www.legislation.gov.uk/ukpga/1995/25/part/IV>)



## 3 Review of Air Quality Management Areas

### 3.1 South Normanton AQMA

The South Normanton AQMA, comprising of twelve properties, was declared on 2 July 2004 in relation to exceedences of the annual mean NO<sub>2</sub> AQO. The boundary of the AQMA is shown in Figure 1. The diffusion tube monitoring locations are also identified.

Figure 1 - South Normanton AQMA



Table 4 - Diffusion Tube Monitoring for NO<sub>2</sub> within or close to South Normanton AQMA

Site ID	Site Type	NO <sub>2</sub> Annual Mean Concentration µg/m <sup>3</sup>					
		2012	2013	2014	2015	2016	2017 <sup>a</sup>
5	Roadside	41.1	37.8	37.0	37.6	35.8	39.0
26							
27							
10	Roadside	31.0	32.3	30.6	25.9	29.1	25.2
15	Roadside	41.0	39.4	36.9	37.6	36.0	41.5
20	Roadside	41.0	36.1	36.2	36.0	35.5	37.5
21	Suburban	33.0	30.4	29.8	26.2	28.3	28.7

<sup>a</sup> Indicative data for 2017 using bias adjustment factor for 2016

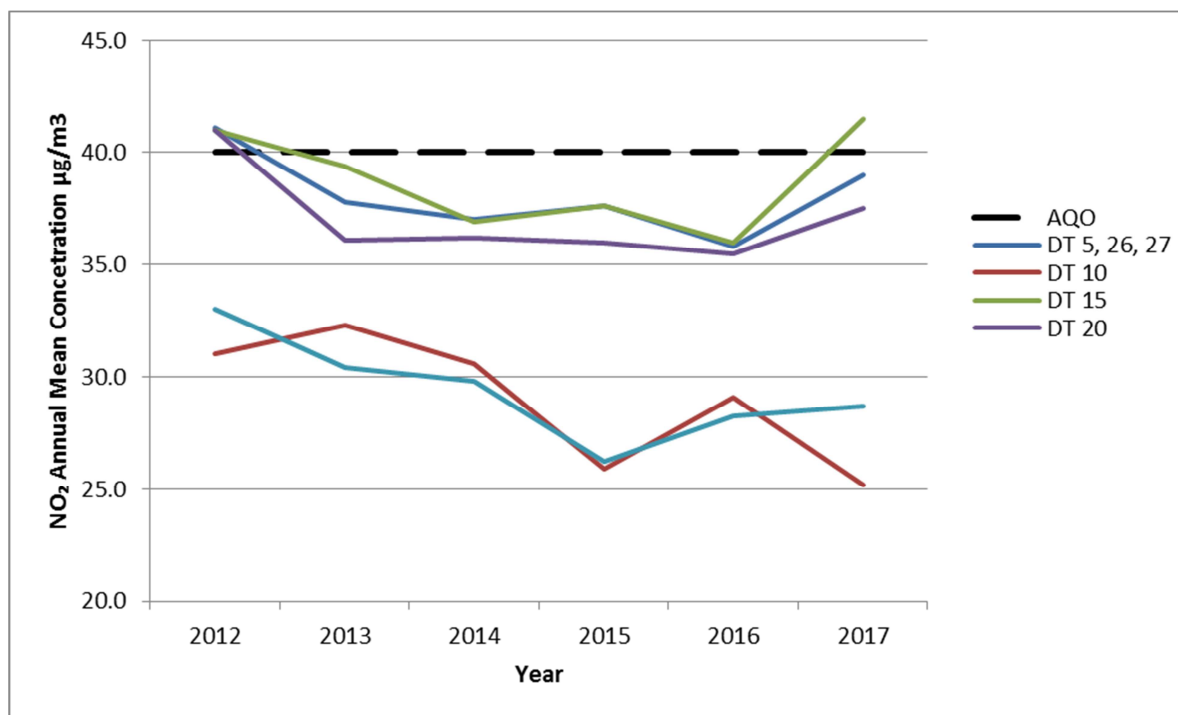
Table 4 presents the data of the diffusion tubes located either within the boundary of, or close to, the AQMA at South Normanton. The annual mean data for 2017 is indicative only as it has been calculated using a bias adjustment factor for 2016. At the time of writing a bias adjustment factor for 2017 is not available.

The foremost observation from the table shows that no exceedences have been recorded at any of the monitoring sites between 2013 and 2016. In 2012 annual mean NO<sub>2</sub> concentrations of 41.1µg/m<sup>3</sup> and 41.0µg/m<sup>3</sup> were recorded at the triplicate site 5/26/2 and site 15 respectively. Results for the 2016 monitoring found that concentrations at all tubes were no higher than 36µg/m<sup>3</sup>.

Site 15 was observed to show an indicative exceedences in 2017 with an annual mean NO<sub>2</sub> concentration of 41.5µg/m<sup>3</sup> recorded. In 2017 Annual mean NO<sub>2</sub> concentrations were found to increase at four of the five monitoring locations.

Figure 2 illustrates the NO<sub>2</sub> concentration trend for the monitoring undertaken in the South Normanton AQMA, demonstrating both the decline in NO<sub>2</sub> concentrations at most sites between 2012-2016 together with no diffusion tube monitoring exceedences of the 40µg/m<sup>3</sup> annual mean NO<sub>2</sub> AQO up to 2016. The 2017 data mostly shows an increase in NO<sub>2</sub> levels, with one exceedance at site 15.

**Figure 2 - South Normanton AQMA 2012-2017**

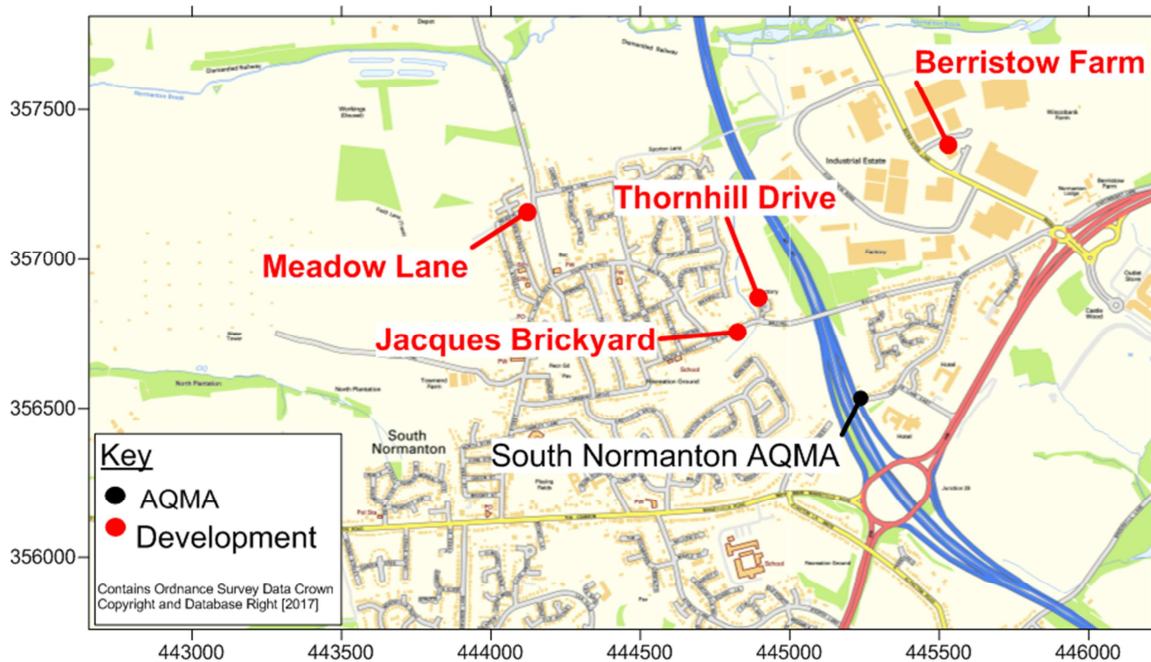


Anticipated land use changes and future development in the area are identified in Figure 3. Briefly these developments consist of the following:

- Meadow Lane, South Normanton; 10 residential dwellings;

- Thornhill Drive, South Normanton; 36 residential dwellings;
- Jacques Brickyard, South Normanton; 35 residential dwellings; and
- Land located North and West of Berristow Farm, Mansfield Road, South Normanton; 80 bed hotel.

**Figure 3 - South Normanton AQMA and proposed local development sites**



Although the four identified developments are likely to increase the amount of road traffic in the local area due to the size of the developments, this is not likely to impact as largely on NO<sub>2</sub> concentrations when considered in context of the existing traffic on the M1 motorway. It is likely that the indicative exceedence and overall increases in NO<sub>2</sub> concentrations reported for South Normanton AQMA in 2017 can be attributed mostly to traffic on the nearby four carriageway motorway.

### 3.2 Barlborough AQMA No 1

Barlborough AQMA No 1 comprises of a single property and was declared on 22 August 2005. This is shown in Figure 4.

**Figure 4 - Barlborough AQMA No 1**



**Table 5 - Diffusion Tube Monitoring for NO<sub>2</sub> within or close to Barlborough AQMA No 1**

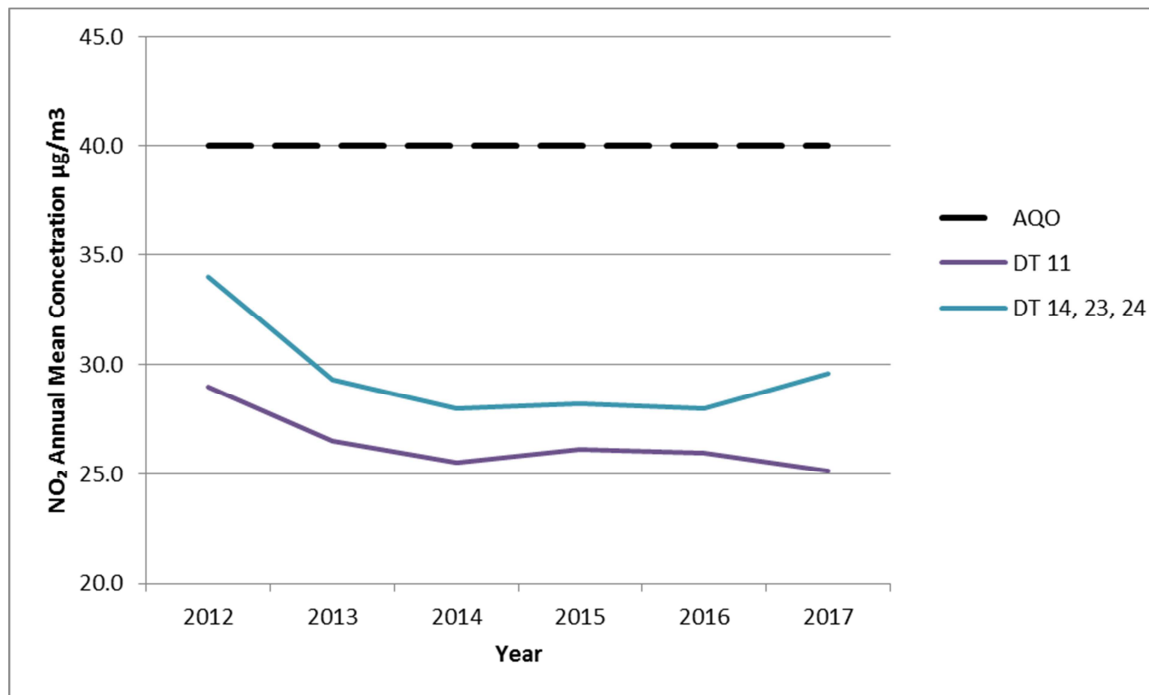
Site ID	Site Type	NO <sub>2</sub> Annual Mean Concentration µg/m <sup>3</sup>					
		2012	2013	2014	2015	2016	2017 <sup>a</sup>
11	Suburban	29.0	26.5	25.5	26.1	25.9	25.1
14	Roadside	34.0	29.3	28.0	28.2	28.0	29.6
23							
24							

<sup>a</sup> Indicative data for 2017 using bias adjustment factor for 2016

Table 5 presents the data of the diffusion tubes located within the boundary of or close to Barlborough AQMA No 1, locations of which are illustrated in Figure 4. The highest recorded annual mean NO<sub>2</sub> concentration at either of the sites during the years from 2012 to 2017 was 34.0µg/m<sup>3</sup> at the triplicate site 14/23/26, below the 40µg/m<sup>3</sup> annual mean AQO. In comparison to the results recorded in 2012, the NO<sub>2</sub> concentrations have decreased at both the triplicate site (14/23/24) and the individual tube site (11). The annual mean data for 2017 is indicative only as it has been calculated using a bias adjustment factor for 2016. At the time of writing a bias adjustment factor for 2017 is not available.

Figure 5 further illustrates the NO<sub>2</sub> concentration trend at the monitoring sites located within or close to Barlborough AQMA No 1 between 2012 and 2017. The annual mean NO<sub>2</sub> AQO of 40µg/m<sup>3</sup> has not been exceeded throughout the sampling period and NO<sub>2</sub> concentrations at both sites show a generally decreasing trend.

**Figure 5 - Barlborough AQMA No 1, 2012 – 2017**

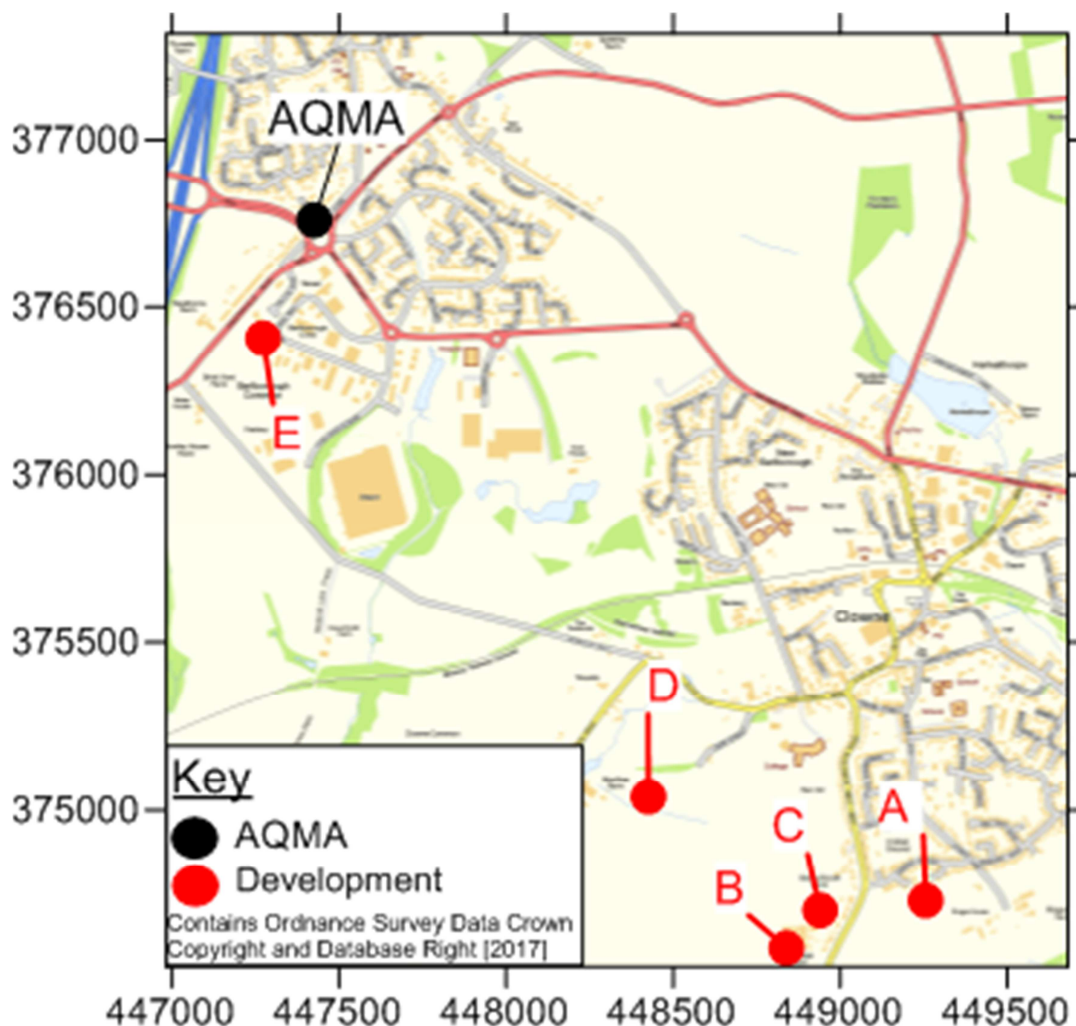


Anticipated land use changes and proposed development in the area are identified in Figure 6. Briefly these consist of the following:

- (A) Erection of up to 100 dwellings on land to the South Of Ramper Avenue And Between Mansfield Road And Ringer Lane Clowne (CF- 17/00409/OUT);
- (B) Full application for the erection of 107 dwellings, on Land To The North Of Congreave House And To The South Of High Ash Farm, Mansfield Road (SP- 17/00405/FUL);
- (C) 15 dwellings on land West of Homelea and Tamarisk Mansfield Road, Clowne (PS - 17/00392/REM);
- (D) Residential development of up to 400 dwellings with the safeguarding of land for a primary school/nursery, a community hub to include a local shop, a large swathe of formal parkland, other public open space areas, associated landscaping, pedestrian/cycle links and vehicular access from Low Road and Cliff Hill on land North South And East Of Stanfree Farm, Low Road, Clowne (17/00417/OUT);
- (E) Proposed 1,950 sqm extension to the existing Xbite headquarters, including associated parking and landscaping works at Maison Court, Midland Way, Barlborough (TB - 17/00491/FUL).



**Figure 6 - Barlborough AQMA No 1 and proposed local development sites**

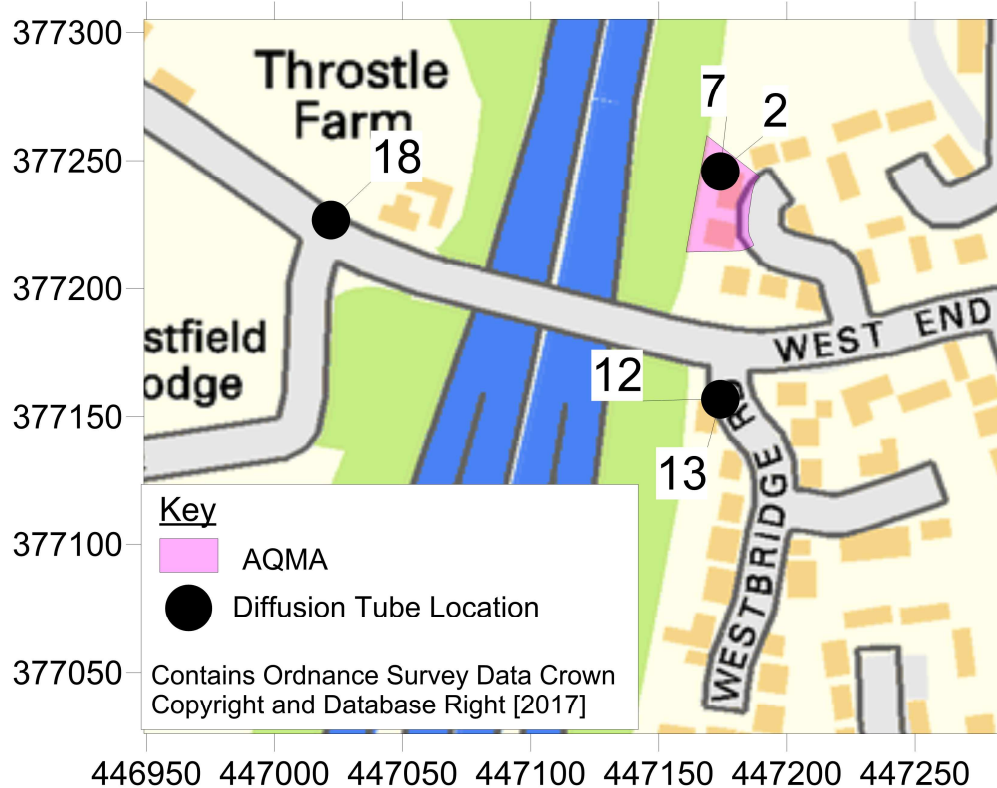


Although the developments A, B, C and D are some distance from the AQMA they are likely to result in an increase in traffic numbers close to the AQMA as traffic services the M1 motorway. Consideration should therefore be given to development traffic from the larger developments particularly A, B and D when assessing the requirement to revoke the Barlborough AQMA No 1. It is considered that the proposed Clowne Garden Village (application December 2017) could impact NO<sub>2</sub> concentrations in Barlborough AQMA No 1. At the time of writing the Clowne Garden Village application is yet to be approved, however should approval occur, it is recommended that some localised monitoring is commissioned to maintain a close check on the development's anticipated impact to the area.

### 3.3 Barlborough AQMA No 2

Barlborough AQMA No 2 comprises of five properties and was declared on 19 October 2007. This is shown in Figure 7.

**Figure 7 - Barlborough AQMA No 2**



**Table 6 – Diffusion Tube Monitoring for NO<sub>2</sub> within or close to Barlborough AQMA No 2**

Site ID	Site Type	NO <sub>2</sub> Annual Mean Concentration µg/m <sup>3</sup>					
		2012	2013	2014	2015	2016	2017 <sup>a</sup>
2	Suburban	36.0	32.7	29.4	30.2	30.8	31.0
7	Suburban	36.0	34.4	30.1	30.2	-	-
12	Suburban	36.0	31.9	29.5	28.6	30.5	29.2
13	Suburban	36.0	32.6	29.3	29.2	-	-
18	Suburban	29.0	27.0	26.2	22.1	24.7	23.0

<sup>a</sup> Indicative data for 2017 using bias adjustment factor for 2016

Table 6 shows the NO<sub>2</sub> annual mean concentration data for the sites located within or close to Barlborough AQMA No 2. This AQMA comprises of five properties and is located close by the M1. The data shows a reduction in NO<sub>2</sub> levels across all sites since 2012.

Figure 8 further illustrates the NO<sub>2</sub> concentration five year trend associated with the secondary Barlborough AQMA area. All monitoring data recorded is distinctly below the AQO level, with an overall reduction in 2016, since 2012. Each of the valid diffusion tube data from 2016 signifies a slight increase in 2016 in comparison to the previous year's ASR data.

**Figure 8 - Barlborough AQMA No 2, 2012 – 2017**

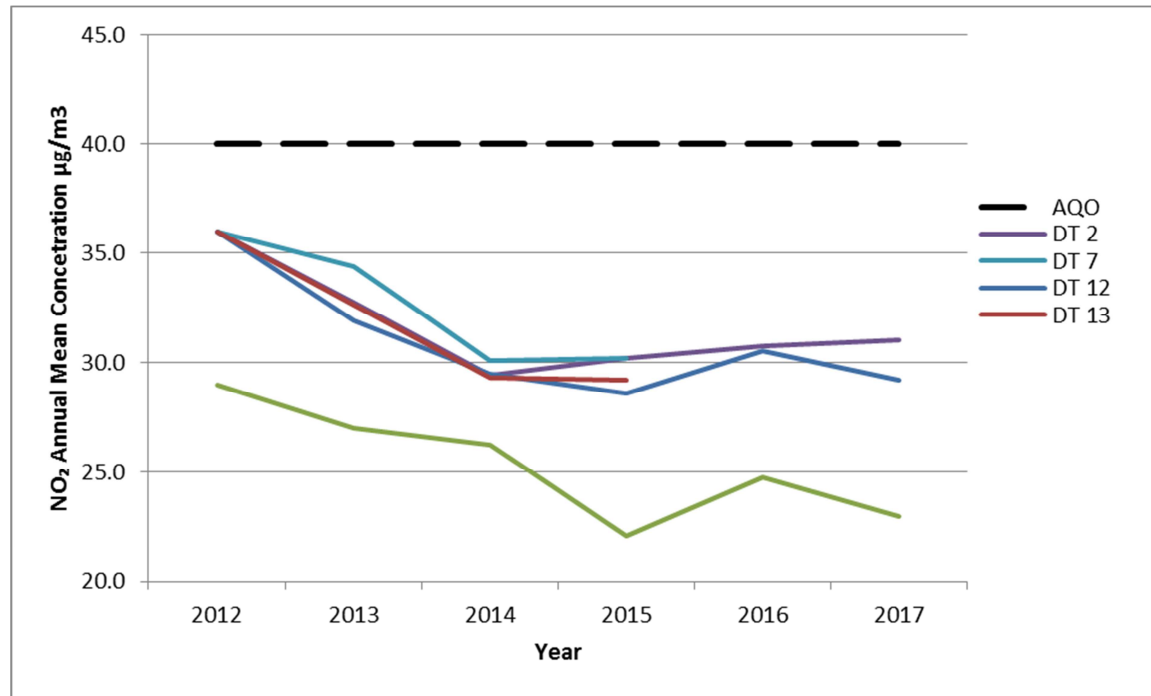


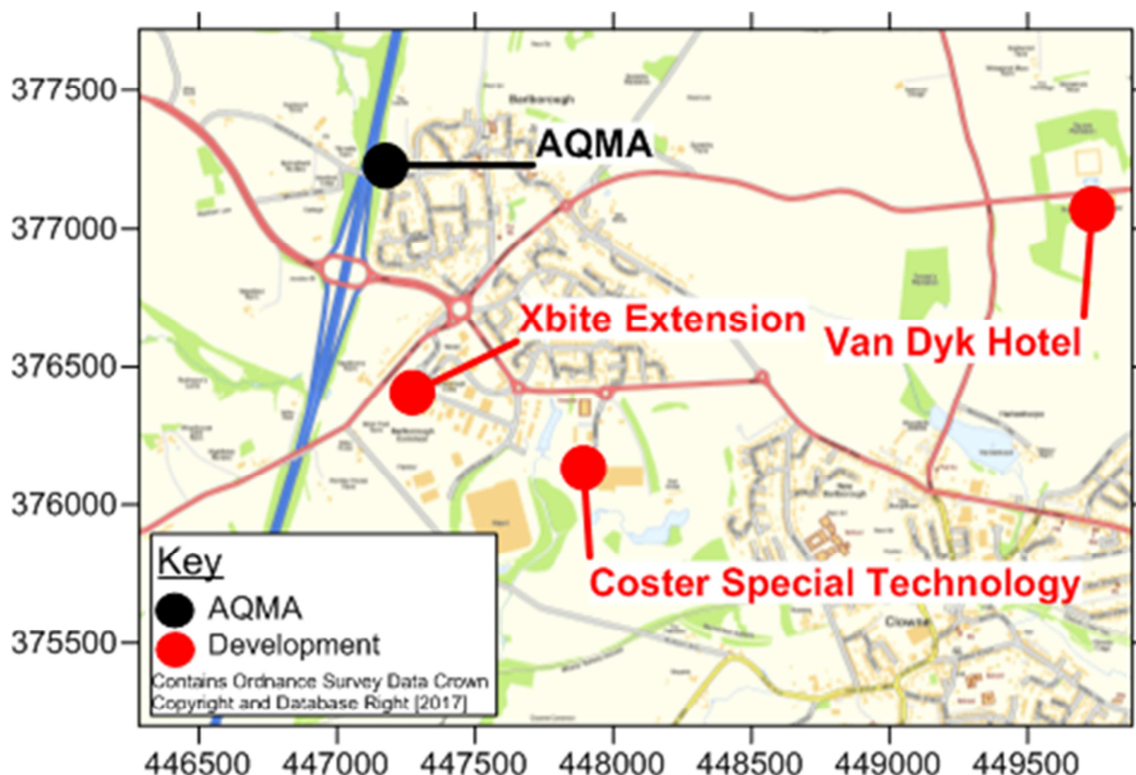
Figure 9 identifies a number of proposed developments which could impact NO<sub>2</sub> concentrations in the AQMA, details of which are as follows;

- Proposed 1,950 sqm extension to the existing Xbite headquarters, including associated parking and landscaping works at Maison Court, Midland Way, Barlborough (TB - 17/00491/FUL);
- Approval of Reserved Matters for Hotel Extension (Phase 1A – 54 beds plus function rooms) Van Dyk Hotel, Worksop Road, Clowne (TB - 17/00310/REM);
- Approval of reserved matters for the appearance of 52 dwellings at Hotel Van Dyk, Clowne (TB - 16/00623/REM);
- Extension to existing building (c.4500m<sup>2</sup>) granted permission for Coster Special Technology on Lindrick Way, Barlborough (TB - 17/00176/FUL).

Although the four identified developments are likely to increase the amount of road traffic in the local area, due to the size of the developments, this is not likely to impact NO<sub>2</sub> concentrations when considered in context of the existing traffic on the M1 motorway.



**Figure 9 - Barlborough AQMA No 2 and proposed local development sites**



### 3.4 M1 motorway conversion to smart motorway

In 2015 the M1 motorway was converted into a 4-lane smart motorway, which could lead to a reduction in NO<sub>2</sub> concentrations levels close to the motorway in the long term. The smart motorway conversion was completed in April 2016 and the conclusion from the 2017 Annual Status Report Appraisal<sup>6</sup> recognises that the NO<sub>2</sub> reductions at all three AQMAs were not due to temporary restriction during the smart motorway conversion but longer term trends which continued to be observed following the motorway conversion. Table A1 details the 12 month diffusion tube data covering the smart motorway introduction from April 2016 – March 2017, which maintains a steady trend across the data following the previous years as identified in Table 4, Table 5 and Table 6.

The reported 2017 exceedance and increases in NO<sub>2</sub> levels at the South Normanton AQMA, is likely due to the traffic dense location of the four carriageway M1 location. This suggests that this AQMA must remain in order to observe any future exceedences.

<sup>6</sup> ASR17-003, Bolsover District Council ASR Appraisal (June 2017)

## 4 Conclusion

Bureau Veritas was appointed by Bolsover District Council (BDC) to undertake analysis of monitoring data and local development information surrounding the three long standing Air Quality Management Areas (AQMAs) declared within the borough, with a view to informing the proposed revocation of the AQMAs. Defra has further supported the recommendation to consider revocation within the appraisal of the 2017 ASR.

It is advised by Bureau Veritas that, following the 2016 update of the LAQM technical and policy guidance, it is possible to apply for revocation of the AQMAs through analysis of existing monitoring data and local development information alone.

### 4.1 South Normanton AQMA

Since two reported exceedences in 2012, NO<sub>2</sub> concentrations at all sites in or near to the South Normanton AQMA have demonstrated a decline in NO<sub>2</sub> concentrations until 2017, when one exceedance and three increases were observed.

Four proposed local developments were identified which could impact road traffic within the AQMA but these were all developments of less than 50 residential units, apart from an 80 bed hotel. These developments are not likely to cause a significant change in traffic figures at or near to the AQMA when considered alongside the present traffic volume on the M1 motorway. It is therefore considered that the South Normanton AQMA should be maintained, as an indicative exceedence of the annual mean AQO was evident in 2017, together with increases in NO<sub>2</sub> annual mean concentrations at most of the diffusion tube locations within the AQMA. The continued monitoring would furthermore provide long term data from the smart motorway conversion.

### 4.2 Barlborough AQMA No 1

Since 2012 the maximum annual mean NO<sub>2</sub> concentration recorded within, or near to, the Barlborough AQMA No 1 is 34.0µg/m<sup>3</sup>. Indicative results for the 2017 monitoring found that concentrations at all tubes were no higher than 29.6µg/m<sup>3</sup>. Since 2012 NO<sub>2</sub> concentrations at all sites within, or near to, the Barlborough AQMA No 1 have demonstrated a general decline in NO<sub>2</sub> concentrations.

Five proposed local developments were identified which could impact road traffic within the AQMA, several of these developments were of a substantial size and could cause an increase in NO<sub>2</sub> concentrations within the AQMA. This is particularly true for development D comprising of 400 residential units. The application is currently only an outline application and it is suggested an air quality assessment is undertaken when the full application is submitted for the development.

It is therefore considered that the Barlborough AQMA No 1 should be revoked as no exceedences of the annual mean AQO have been observed since 2012, and in 2017 indicative annual mean NO<sub>2</sub>

concentrations were observed to be less than 75% of the AQO at diffusion tube sites both located within and close to the AQMA. Upon revocation consideration should be given to reducing the amount of diffusion tube monitoring which is undertaken, particularly decommissioning at site 11. Despite the indicative 2017 annual mean NO<sub>2</sub> concentration being recorded at less than 75% of the AQO within the AQMA it is advised that diffusion tube monitoring is continued at triplicate site 14/23/24 in order to monitor any impacts from the identified proposed developments (particularly application D for the development of 400 dwellings) or the M1 motorway's conversion to a smart motorway.

### 4.3 Barlborough AQMA No 2

Since 2012 the maximum annual mean NO<sub>2</sub> concentration recorded within, or near to, the Barlborough AQMA No 2 is 36.0µg/m<sup>3</sup>. Indicative results for the 2017 monitoring found that concentrations at all tubes were no higher than 31.0µg/m<sup>3</sup>. Since 2012 NO<sub>2</sub> concentrations at all sites within, or near to, the Barlborough AQMA No 2 have demonstrated a decline in NO<sub>2</sub> concentrations.

Four proposed local developments were identified which could impact road traffic within the AQMA. These developments are not likely to cause a significant change in traffic figures at or near to the AQMA due to their size when considered in comparison to present traffic flows on the M1 motorway.

It is therefore considered that the Barlborough AQMA No 2 should be revoked as no exceedences of the annual mean AQO have been observed between 2012 and 2017. Upon revocation consideration should be given to reducing the amount of diffusion tube monitoring which is undertaken, particularly decommissioning tubes at site 18. Despite the indicative 2017 annual mean being recorded at no more than 31.0µg/m<sup>3</sup> within the AQMA, it is advised that diffusion tube monitoring is continued at duplicate site 2/7 in order to monitor any impacts from the identified proposed or the M1 motorway's conversion to a smart motorway.

## Appendix A: Diffusion Tube Data

Table A1 - NO<sub>2</sub> Diffusion Tube Data following conversion of M1 motorway to a smart motorway

Location	Site ID	2016										2017												
		A	M	J	J	A	S	O	N	D		J	F	M	A	M	J	J	A	S	O	N	D	Mean
Market Place, Bolsover	1	25.8	N	33.6	N	N	27.7	N	N	N		42.5	34.6	34.8	28.2	22.8	22.7	23.2	25.5	25.2	29.2	33.3	33.4	29.5
25 Orchard Close, Barlborough	2	23.8	27.4	27.8	33.3	25.7	29.7	26.9	N	36.9		39.1	30.7	29.5	28.7	22.3	27.2	29.4	33.6	23.3	33.5	38.3	32.6	30.0
Discontinued	7																							
Thomas College House, Bolsover	3	6.3	9.6	9.6	7.5	7.4	N	N	18.8	23.6		24.4	18.2	14.9	9.3	9.6	7.9	9.3	10.3	11.4	13.9	15.5	17.3	12.9
27 West Street, Doe Lea	4	13.7	15.4	14.6	12.8	12.3	16.7	17.6	24.7	30.3		31.2	21.6	17.9	15.5	11.9	12.4	13.6	16.2	16.5	18.1	24.3	22.7	18.1
1 Carter Lane East, South Normanton	5	30.0	30.6	30.2	39.0	30.1	34.1	27.8	39.3	43.0		47.9	42.9	38.3	35.3	29.2	33.8	32.4	40.2	35.1	39.1	45.7	39.3	36.6
1 Carter Lane East, South Normanton	26	31.7	31.7	28.2	38.5	30.1	35.3	29.7	38.4	44.2		45.9	41.0	37.6	38.9	27.7	32.7	34.2	37.3	37.3	43.2	47.4	40.3	
1 Carter Lane East, South normanton	27	34.0	30.1	28.7	35.0	31.5	35.5	28.2	41.7	45.9		50.3	37.3	33.3	41.5	29.5	33.9	33.9	36.4	36.9	40.8	45.3	40.7	
29 Brookhill Lane, Pinxton	6	31.8	28.4	35.6	15.8	20.2	28.7	40.7	37.2	N		39.9		32.7	28.0	31.0	21.7	27.8	23.0	27.4	24.9	35.7	31.0	29.5
2 Paddocks Close, Pinxton	8	26.6	28.6	32.2	16.6	18.3	27.1	38.3	37.1	31.8		33.3	29.4	27.9	22.5	24.9	19.2	21.0	21.6	24.2	22.2	27.5	26.9	26.5
Queens Close, Hodthorpe	9	13.0	10.3	9.0	8.3	6.5	11.7	13.3	18.6	22.2		23.9	17.2	11.9	10.1	9.0	7.8		8.9	11.8	13.1	15.3	17.1	12.9
57 Carter Lane West, South Normanton	10	22.8	30.5	32.1	15.6	18.3	24.0	38.2	33.3	44.3		36.2	37.8	27.0	17.5	30.3	22.7	20.1	17.9	21.6	20.1	22.8	25.0	26.6
16 Chesterfield Rd, Barlborough	11	20.9	21.0	23.8	18.7	21.2	23.5	30.5	32.2	35.2		40.1	30.4	28.5	20.8	23.5	18.3	19.3	21.3	21.4	21.9	25.0	27.9	25.0
2A Westbridge Rd, Barlborough	12	30.0	23.7	25.7	24.7	21.2	27.4	28.3	37.1	41.3		37.1	38.1	32.9	27.1	19.0	23.5	22.9	26.6	27.0	30.8	38.5	24.0	28.9
Discontinued	13																							
14 Chesterfield Rd, Barlborough	14	22.9	21.4	21.0	26.4	N	27.9	23.6	33.1	38.1		39.0	31.2	32.3	23.7	20.4	21.6	23.0	27.1	26.7	27.3	33.2	29.5	28.4
14 Chesterfield Rd, Barlborough	23	22.6	23.8	22.5	26.4	23.2	N	25.2	35.3	41.1		40.5	34.3	31.1	27.2	22.1	24.7	22.7	28.4	28.8	29.2	36.5	33.8	
14 Chesterfield Rd, Barlborough	24	22.0	21.1	22.5	27.0	25.2	26.3	25.0	32.0	41.5		44.2	33.0	29.3	26.6	23.1	26.3	25.1	28.6	26.0	32.1	34.9	30.1	
3 Carter Lane East South Normanton	15	31.2	31.8	28.8	35.7	33.5	35.5	29.7	37.6	34.7		47.3	39.9	43.9	47.5	28.4	32.9	35.7	38.6	37.4	41.5	54.9	44.4	37.7
Woodland Grove, Barlborough	16	19.5	22.3	21.7	21.7	18.4	26.2	23.6	35.2	39.2		37.9	30.0	26.1	21.0	19.9	21.1		24.1	22.6	28.0	32.0	30.9	26.1
36 Bowdon Avenue, Barlborough	17	23.1	25.5	19.5	26.7	18.3	27.1	22.8	35.7	41.0		42.6	30.4	29.6	24.1	19.6	24.9	23.5	27.2	25.6	28.3	35.7	30.9	27.7
Sheffield Road, Barlborough	18	17.7	19.4	20.0	N	15.1	24.6	25.9	30.0	37.3		33.9	32.0	28.2	15.1		14.8	15.8		20.0	20.8		24.1	23.2
California Lane, Barlborough	19	17.5	17.3	16.5	16.3	12.9	21.7	20.7	29.3	34.4		33.5	22.9	20.8	18.0	14.2	15.5	15.1	16.8	17.0	20.1	26.1	26.2	20.6
o/s 17 Carter Lane East, South Normanton	20	33.2	29.1	26.2	34.2	29.9	33.6	30.0	41.2	44.4		47.7	40.6	37.9	38.6	25.1	34.3	32.5	36.5	35.2	39.3	39.2	38.7	35.6

Location	Site ID	2016										2017												
		A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	Mean	
31 Carter Lane East, South Normanton	21	24.0	22.1	24.0	25.3	19.4	26.9	22.3	35.7	38.7	37.7	33.1	30.0	28.0	22.0	23.2	24.1	26.1	25.9	28.9	31.7	29.9	27.6	
37 Berristow Place, South Normanton	22	18.2	20.0	20.2	24.3	21.9	24.5	23.6	33.2	39.8	41.4	33.0	26.4	20.1	19.2	20.0	20.4	24.3	23.9	29.9	29.2	33.3	26.0	
o/s Travellers Site, Blackwell	25	29.6	26.6	28.8	28.2	22.8	31.3	29.2	36.3	43.1		32.4	32.2	30.5	22.0	24.2	27.4	32.1	29.6	33.0	41.5	34.4	30.8	
2 The Hill Glapwell	28	22.6	23.0	22.7	18.7	18.3	23.0	29.8	34.5	35.1	39.1	27.6	24.4	20.9	2.8	19.6		16.1	16.8	18.5	23.3	23.3	23.0	
198 The Hill, Glapwell	29	17.0	14.1	14.6	16.2	14.5	18.4	17.7	25.4	31.6	36.1	27.7	21.7	16.3	14.9	16.3	14.9	16.5	15.0	20.2	20.8	25.3	19.8	
4A Barlborough Rd, Clowne	30	36.0	31.7	39.7	29.0	27.8	37.8	42.2	49.1	45.0	52.1	39.3	34.0	35.3	34.9	29.4	29.9	31.5	37.0	36.7	39.2	41.4	37.1	

## Appendix B: Planning Application Data

**Table B1 - Planning applications considered**

Planning Application Reference	AQMA	Description
17/00114/FUL	South Normanton	Residential development for 10 two storey dwellings with associated parking spaces and landscaping, Council Depot at South Normanton
17/00148/OUT	South Normanton	Residential development of up to 36 dwellings at Thornhill Drive, South Normanton
16/00510/FUL	South Normanton	Residential development comprising 30no 2-bedroom dwellings and 5no 3-bedroom dwellings Jacques Brickyard, South Normanton
17/00499/OUT & 17/00498/FUL	South Normanton	80 bed hotel; 7,000 square feet of A3 restaurant/cafe; c.150,000 square feet of A1 retail; c.350,000 square feet of industrial buildings on Land To The North And West Of Berristow Farm, Mansfield Road, South Normanton
17/00409/OUT	Barlborough No 1	Erection of up to 100 dwellings on land to the South Of Ramper Avenue And Between Mansfield Road And Ringer Lane Clowne
17/00405/FUL	Barlborough No 1	Full application for the erection of 107 dwellings, on Land To The North Of Congreave House And To The South Of High Ash Farm, Mansfield Road
17/00392/REM	Barlborough No 1	15 dwellings on land West of Homelea and Tamarisk Mansfield Road, Clowne
17/00417/OUT	Barlborough No 1	Residential development of up to 400 dwellings with the safeguarding of land for a primary school/nursery, a community hub to include a local shop, a large swathe of formal parkland, other public open space areas, associated landscaping, pedestrian/cycle links and vehicular access from Low Road and Cliff Hill on land North South And East Of Stanfree Farm, Low Road, Clowne
09/00370/OUTMAJ	Barlborough No 1	December 2017 application of Clowne Garden village; over 1800 houses on the north side of Clowne/Barlborough. Former Barlborough landfill and associated land
17/00491/FUL	Barlborough No 1 & No 2	Proposed 1,950 sqm extension to the existing Xbite headquarters, including associated parking and landscaping works at Maison Court, Midland Way, Barlborough
17/00310/REM	Barlborough No 2	Approval of Reserved Matters for Hotel Extension (Phase 1A – 54 beds plus function rooms) Van Dyk Hotel, Worksop Road, Clowne
16/00623/REM	Barlborough No 2	Approval of reserved matters for the appearance of 52 dwellings at Hotel Van Dyk, Clowne
17/00176/FUL	Barlborough No 2	Extension to existing building (c.4500m <sup>2</sup> ) granted permission for Coster Special Technology on Lindrick Way, Barlborough

Planning Application Reference	AQMA	Description
17/00279/SCREEN	All three AQMAs	Proposed residential-led mixed-use development of circa 450 dwellings, up to 6 hectares of employment, convenience retail store, railway station parking and access improvements, new local public open space, drainage and landscaping, Whitwell Tip And Surrounding Land, Southfield Lane, Whitwell



**Bolsover District Council**

**Air Quality Management Area Review**

December 2020

***Move Forward with Confidence***

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## Document Control Sheet

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## Executive Summary

Bureau Veritas have been commissioned by Bolsover District Council (BDC) to undertake a review of South Normanton Air Quality Management Area (AQMA). The AQMA is the last of three AQMAs declared within the borough between 2004 and 2007. Air quality monitoring data, derived from the 2020 Annual Status Report (ASR), within the proximity of the AQMA was reviewed to evaluate the general trends since 2012.

It is possible to revoke AQMAs through analysis of monitoring data and local development information alone, therefore a review of the AQMA has been undertaken; taking into consideration the monitored pollutant level trends, any changes to land use and any potential future development.

South Normanton AQMA comprises a group of twelve properties and was declared on 2<sup>nd</sup> July 2004 in relation to exceedances of the annual mean NO<sub>2</sub> Air Quality Strategy (AQS) objective. Following a review of local NO<sub>2</sub> monitoring trend data, the known proposed developments in the area and the conversion of the adjacent M1 to smart motorway, it is considered that South Normanton AQMA should be revoked, with diffusion tube monitoring continuing at locations of relevant exposure.

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# 1 Introduction

## 1.1 Project Background

Bureau Veritas have been commissioned by Bolsover District Council (BDC) to undertake a review of South Normanton Air Quality Management Area (AQMA). The AQMA is the last of three AQMAs declared within the borough between 2004 and 2007.

All three of BDC's AQMAs had been declared as a result of road traffic emissions in relation to monitored exceedances of the annual mean Air Quality Strategy (AQS) objective for nitrogen dioxide (NO<sub>2</sub>). The Council's 2017 Annual Status Report (ASR) noted the intention to assess whether the three AQMAs should be maintained or revoked.

Following appraisal of BDC's 2017 ASR, Defra provided the following response in relation to revocation of the AQMAs:

*"We agree with the Council's proposal to consider revoking the three AQMA's...The Council may decide between a screening assessment using the current monitoring, or carry out a further assessment to ratify the recent results if there is reasonable doubt over the monitoring results".*

Any decision to revoke an AQMA must be based on evidence in line with Local Air Quality Management (LAQM) requirements. More detail on these is provided in Section 2.2 however in summary, as stated above, an AQMA may be amended or revoked following a screening assessment or on the basis of robust monitoring evidence. Monitoring evidence must demonstrate that the AQS objectives are being, and will continue to be, met within, and close to, an AQMA that is under review and that any reductions in concentration experienced will be sustained.

This AQMA review leads on from a previous review<sup>1</sup> undertaken by Bureau Veritas in 2018 on behalf of the Council. The 2018 review concluded that there was sufficient evidence to support the revocation of Barlborough AQMAs No. 1 and No. 2, with no exceedances of the annual mean nitrogen dioxide (NO<sub>2</sub>) AQS objective recorded in either of these AQMAs since 2012. The revocation of both Barlborough AQMAs was completed in June 2020.

South Normanton AQMA is located approximately six meters, at its closest point, to the east of the southbound M1 exit slip road at Junction 28 (South Normanton). No exceedance of the annual mean NO<sub>2</sub> AQS objective, along with an overall decrease in monitored annual mean NO<sub>2</sub> concentrations

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<sup>1</sup> Bolsover District Council Air Quality Management Area Review – Detailed Assessment - February 2018. Bureau Veritas

between 2012 and 2016, meant that revocation of this AQMA was also considered in 2017. However, an increase in concentrations was observed at the majority of diffusion tube sites located within the AQMA in 2017, including one exceedance of the annual mean NO<sub>2</sub> AQS objective. This observation was based on indicative monitoring data for the year 2017 which was bias adjusted using the 2016 adjustment factor. The M1 motorway, a major traffic source at the AQMA, was also subjected to extensive road works involving 50mph speed limits and lane closures for at least 18 months prior to April 2016, during its conversion to a 4-lane Smart Motorway. The 2018 review therefore recommended that the South Normanton AQMA should remain declared to monitor any effect of the Smart Motorway Project with monitoring to continue within, and close to the AQMA.

## 1.2 Scope of Review

Since completion of the 2018 AQMA review, three additional years of monitoring have been undertaken and so two more years of monitoring data is now available, for 2018 and 2019. The 2017 monitoring data has also since been updated. The 2018 review discussed 2017 monitoring data that had been adjusted by BDC using the relevant bias adjustment factor for 2016 from Defra's most recent National Diffusion Tube Bias Adjustment Factors Spreadsheet<sup>2</sup> that was available at that time. The 2017 data has therefore since been updated with the relevant 2017 National Bias Adjustment Factor. The most up-to-date data is provided in BDC's 2020 ASR<sup>3</sup>.

As a result of the above, this report has been commissioned to revisit the recommendations provided in the 2018 review<sup>1</sup>, and has completed a review of South Normanton AQMA based on the following scope:

- Summarise the history of South Normanton AQMA;
- Assess the monitored pollutant trend data within the AQMA since 2012;
- Assess the AQMA in the context of average monitored pollutant trend data across the district;
- Review the location of the AQMA in the wider context of the district, to include detail on any land use changes within and surrounding the AQMA; and,
- Provide conclusions and recommendations on the designation of the AQMA.

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<sup>2</sup> Defra National Bias Adjustment Factors <https://laqm.defra.gov.uk/bias-adjustment-factors/national-bias.html>

<sup>3</sup> Bolsover District Council, 2020 Annual Status Report (ASR), [June 2020]

## 2 Air Quality – Legislative Context

### 2.1 Air Quality Strategy

The importance of existing and future pollutant concentrations can be assessed in relation to the national air quality standards and objectives established by Government. The Air Quality Strategy<sup>4</sup> (AQS) provides the over-arching strategic framework for air quality management in the UK and contains national air quality standards and objectives established by the UK Government and Devolved Administrations to protect human health. The air quality objectives incorporated in the AQS and the UK Legislation are derived from Limit Values prescribed in the EU Directives transposed into national legislation by Member States.

The CAFE (Clean Air for Europe) programme was initiated in the late 1990s to draw together previous directives into a single EU Directive on air quality. The CAFE Directive<sup>5</sup> has been adopted and replaces all previous air quality Directives, except the 4th Daughter Directive<sup>6</sup>. The Directive introduces new obligatory standards for PM<sub>2.5</sub> for Government but places no statutory duty on local government to work towards achievement of these standards.

The Air Quality Standards (England) Regulations<sup>7</sup> 2010 came into force on 11 June 2010 in order to align and bring together in one statutory instrument the Government's obligations to fulfil the requirements of the new CAFE Directive.

The objectives for ten pollutants – benzene (C<sub>6</sub>H<sub>6</sub>), 1,3-butadiene (C<sub>4</sub>H<sub>6</sub>), carbon monoxide (CO), lead (Pb), nitrogen dioxide (NO<sub>2</sub>), sulphur dioxide (SO<sub>2</sub>), particulate matter - PM<sub>10</sub> and PM<sub>2.5</sub>, ozone (O<sub>3</sub>) and Polycyclic Aromatic Hydrocarbons (PAHs), have been prescribed within the AQS<sup>5</sup>.

The EU Limit Values are considered to apply everywhere with the exception of the carriageway and central reservation of roads and any location where the public do not have access (e.g. industrial sites).

The AQS objectives apply at locations outside buildings or other natural or man-made structures above or below ground, where members of the public are regularly present and might reasonably be expected to be exposed to pollutant concentrations over the relevant averaging period. Typically, these include residential properties and schools/care homes for long-term (i.e. annual mean) pollutant objectives and high streets for short-term (i.e. 1-hour) pollutant objectives. Table 1, taken from LAQM.TG(16)<sup>4</sup>, provides an indication of those locations that may or may not be relevant for each averaging period.

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<sup>4</sup> The Air Quality Strategy for England, Scotland, Wales and Northern Ireland (2007), Published by Defra in partnership with the Scottish Executive, Welsh Assembly Government and Department of the Environment Northern Ireland

<sup>5</sup> Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe.

<sup>6</sup> Directive 2004/107/EC of the European Parliament and of the Council of 15 December 2004 relating to arsenic, cadmium, mercury, nickel and polycyclic hydrocarbons in ambient air.

<sup>7</sup> The Air Quality Standards Regulations (England) 2010, Statutory Instrument No 1001, The Stationary Office Limited.

This assessment focuses on the NO<sub>2</sub> annual mean data, as this is the pollutant of most concern within the Council's administrative area. Moreover, as a result of traffic pollution, the UK has failed to meet the EU Limit Values for NO<sub>2</sub> by the 2010 target date. As a result, the Government has had to submit time extension applications for compliance with the EU Limit Values. Continued failure to achieve these limits may lead to EU fines. The AQS objectives for these pollutants are presented in Table 2.

**Table 1 – Examples of Where the Air Quality Objectives Should Apply**

Averaging Period	Objectives should apply at:	Objectives should generally not apply at:
Annual mean	<p>All locations where members of the public might be regularly exposed</p> <p>Building facades of residential properties, schools, hospitals, care homes etc.</p>	<p>Building facades of offices or other places of work where members of the public do not have regular access.</p> <p>Hotels, unless people live there as their permanent residence.</p> <p>Gardens of residential properties.</p> <p>Kerbside sites (as opposed to locations at the building façade), or any other location where public exposure is expected to be short term</p>
24-hour mean and 8-hour mean	<p>All locations where the annual mean objectives would apply, together with hotels.</p> <p>Gardens or residential properties<sup>1</sup>.</p>	<p>Kerbside sites (as opposed to locations at the building façade), or any other location where public exposure is expected to be short term.</p>
1-hour mean	<p>All locations where the annual mean and 24 and 8-hour mean objectives would apply.</p> <p>Kerbside sites (e.g. pavements of busy shopping streets).</p> <p>Those parts of car parks, bus stations and railway stations etc. which are not fully enclosed, where the public might reasonably be expected to spend one hour or more.</p> <p>Any outdoor locations at which the public may be expected to spend one hour or longer.</p>	<p>Kerbside sites where the public would not be expected to have regular access.</p>
15-minute mean	<p>All locations where members of the public might reasonably be expected to spend a period of 15 minutes or longer.</p>	
<p><sup>1</sup> For gardens and playgrounds, such locations should represent parts of the garden where relevant public exposure is likely, for example where there is seating or play areas. It is unlikely that relevant public exposure would occur at the extremities of the garden boundary, or in front gardens, although local judgement should always be applied.</p>		

**Table 2 – Relevant Air Quality Objectives for NO<sub>2</sub>**

Pollutant	AQS Objective	Concentration Measured as:	Date for Achievement
Nitrogen Dioxide (NO <sub>2</sub> )	200µg/m <sup>3</sup> not to be exceeded more than 18 times per year	1-hour mean	31 <sup>st</sup> December 2005
	40µg/m <sup>3</sup>	Annual mean	31 <sup>st</sup> December 2005

## 2.2 Local Air Quality Management

Part IV of the Environment Act 1995<sup>8</sup> places a statutory duty on local authorities to periodically Review and Assess the current, and future air quality conditions experienced within their jurisdiction. This is completed by determining whether the AQS objectives set down by Government for a number of pollutants are to be met, a process known as Local Air Quality Management (LAQM). The AQS objectives that apply to LAQM are defined for seven pollutants: benzene, 1,3-butadiene, carbon monoxide, lead, nitrogen dioxide, sulphur dioxide and particulate matter.

Where the results of the Review and Assessment process highlight that problems in the attainment of health-based objectives for air quality will arise, the authority is required to declare an AQMA; a geographic area defined by high concentrations of pollution and exceedances of health-based standards.

The LAQM Policy Guidance (PG16)<sup>9</sup> is designed to maximise the public health benefits of local authority action and sets out the requirements for revocation of an AQMA. When assessing the current status of an AQMA, PG16 requires local authorities to undertake a robust review that demonstrates:

*“air quality objectives are being met and will continue to do so ...”*

*“...they should have confidence that the improvements will be sustained”.*

The LAQM Technical Guidance (TG16)<sup>10</sup> is designed to support local authorities in this process of carrying out their duties under the Environment Act 1995 and provides further information on the revocation process. In particular, TG16 states:

*“an AQMA may be amended or revoked following a screening assessment or on the basis of robust monitoring evidence”.*

This guidance also sets out that the following must be considered before an AQMA can be revoked on the basis of monitored concentrations:

- The impact of meteorological conditions (i.e. that any future exceedances that might occur in more adverse conditions are unlikely);
- National trends in emissions;
- Local factors, including measures introduced as part of the local Air Quality Action Plan (AQAP); and
- Trends and information from national monitoring on high and low pollution years.

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<sup>8</sup> Environment Act, Part IV 1995 (<http://www.legislation.gov.uk/ukpga/1995/25/part/IV>)

<sup>9</sup> LAQM Policy Guidance LAQM.PG(16) – April 2016. Published by Defra in partnership with the Scottish Government, Welsh Assembly Government and Department of the Environment Northern Ireland

<sup>10</sup> LAQM Technical Guidance LAQM.TG(16) – February 2018. Published by Defra in partnership with the Scottish Government, Welsh Assembly Government and Department of the Environment Northern Ireland



Basing the decision of whether or not to revoke an AQMA on monitored data therefore requires consistent measurements carried out at locations within, and close to, the designated AQMA over a period of several years.

In the case of South Normanton AQMA, this review will be based on the results from four diffusion tube monitoring sites (one being a triplicate site) that are located within the AQMA, each of which has recorded more than five years of monitoring data. This will be considered in the context of the trend in air quality across the district as a whole.

## 3 South Normanton AQMA

### 3.1 Review of Monitored Pollutant Trends

The South Normanton AQMA, comprising of twelve properties, was declared on 2<sup>nd</sup> July 2004 in relation to exceedances of the annual mean NO<sub>2</sub> AQS objective. The boundary of the AQMA is presented in Figure 1 with the relevant diffusion tube monitoring locations also identified.

Table 3 presents data from BDC's 2020 ASR<sup>3</sup>, recorded at the diffusion tubes located either within the boundary, or close to, the AQMA at South Normanton. The foremost observation from the table shows that no exceedances have been recorded at any of the monitoring sites between 2013 and 2019. Prior to this an annual mean NO<sub>2</sub> concentration of 41.1µg/m<sup>3</sup> was recorded at the triplicate site 5/26/27 and 41.0µg/m<sup>3</sup> at sites 15 and 20 in 2012. A reduction in annual mean concentration is apparent between 2017 and 2019 at each of the four monitoring locations, with all results significantly below the AQS objective of 40µg/m<sup>3</sup> during 2018 and 2019.

The triplicate site 5/26/27, site 15 and site 21 are located at points of relevant exposure (the residential properties), whilst site 20 is located 7m from the closest point of relevant exposure. Due to these three monitoring sites being located at points of relevant exposure, and site 20 consistently being below 36µg/m<sup>3</sup> (within 10% of the AQS objective), distance correction has not been completed.

**Table 3 – Diffusion Tube Monitoring for NO<sub>2</sub> within or close to South Normanton AQMA**

Site ID	Site Type	NO <sub>2</sub> Annual Mean Concentration (µg/m <sup>3</sup> )							
		2012	2013	2014	2015	2016	2017*	2018	2019
5, 26, 27	Roadside (Triplicate)	41.1	39.2	37.6	37.0	36.0	37.3 (39.0)	33.9	32.2
15	Roadside	41.0	39.4	36.9	37.6	36.0	39.8 (41.5)	34.8	32.6
20	Roadside	41.0	36.1	36.2	36.0	35.5	36.0 (37.5)	33.8	30.9
21	Suburban	33.0	30.4	29.8	26.2	28.3	27.5 (28.7)	26.6	25.8
* Indicative data for 2017 using 2016 National Bias Adjustment Factor									

Figure 2 illustrates the NO<sub>2</sub> concentration trend for the monitoring undertaken in the South Normanton AQMA, demonstrating both the decline in NO<sub>2</sub> concentrations at all monitoring sites between 2012 and 2019 and no exceedances of the annual mean NO<sub>2</sub> AQS objective since 2012. Aside from a slight increase in concentration reported at most sites in 2017, there has been a continual trend of reduction across the monitoring locations.

Figure 1 – South Normanton AQMA Monitoring Locations

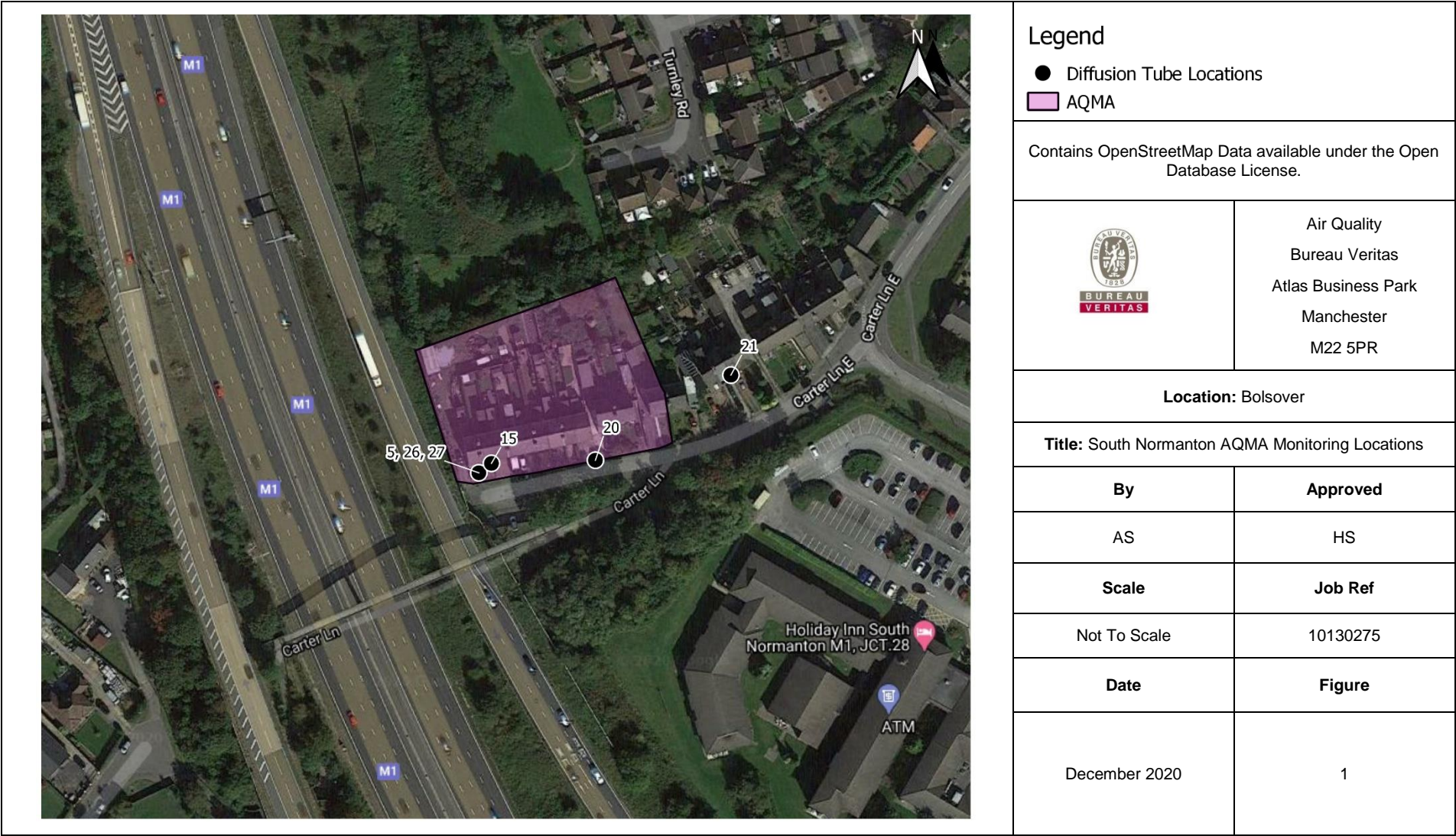
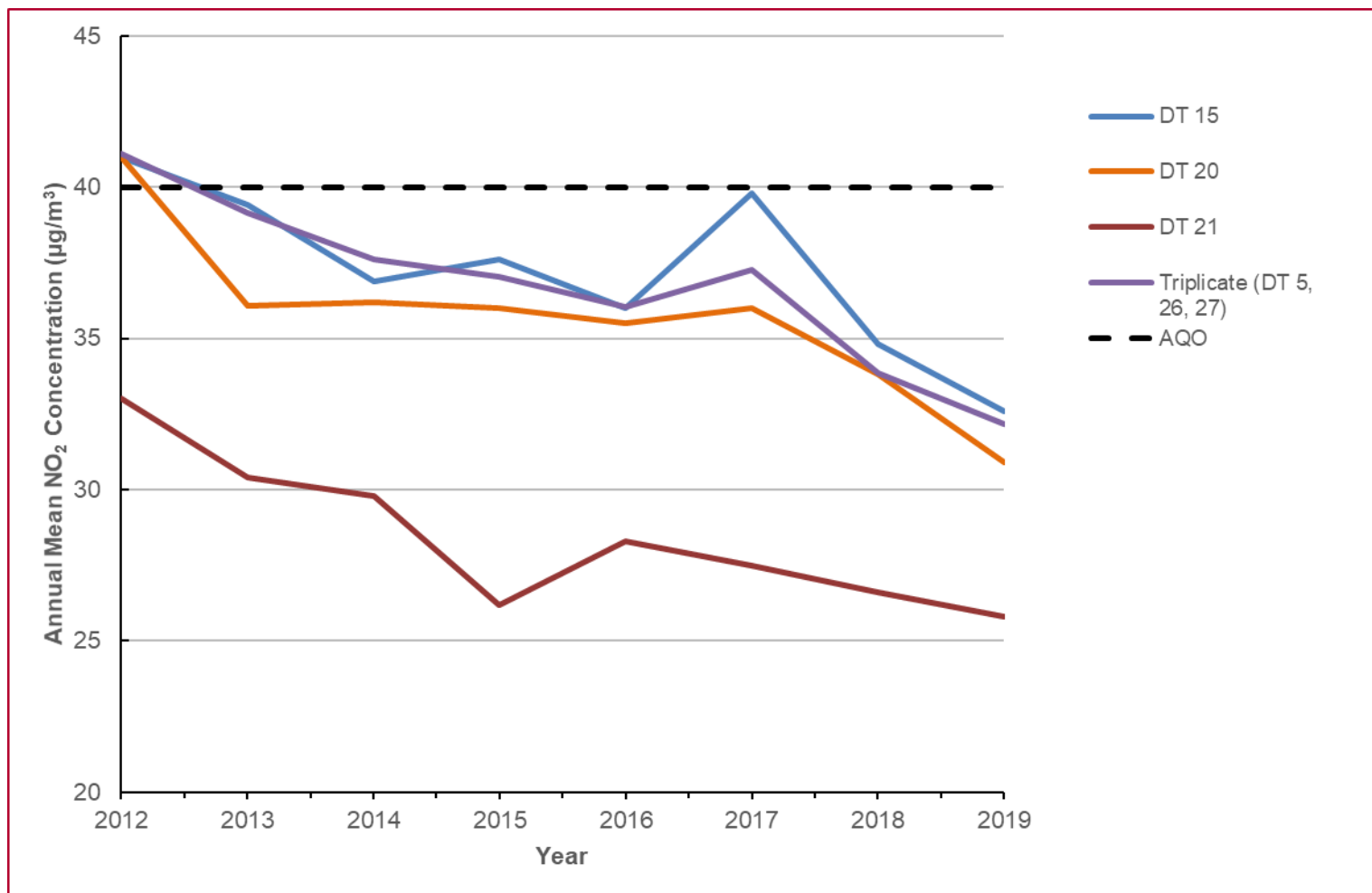


Figure 2 – South Normanton AQMA 2012-2019



## 4 Bolsover District Council

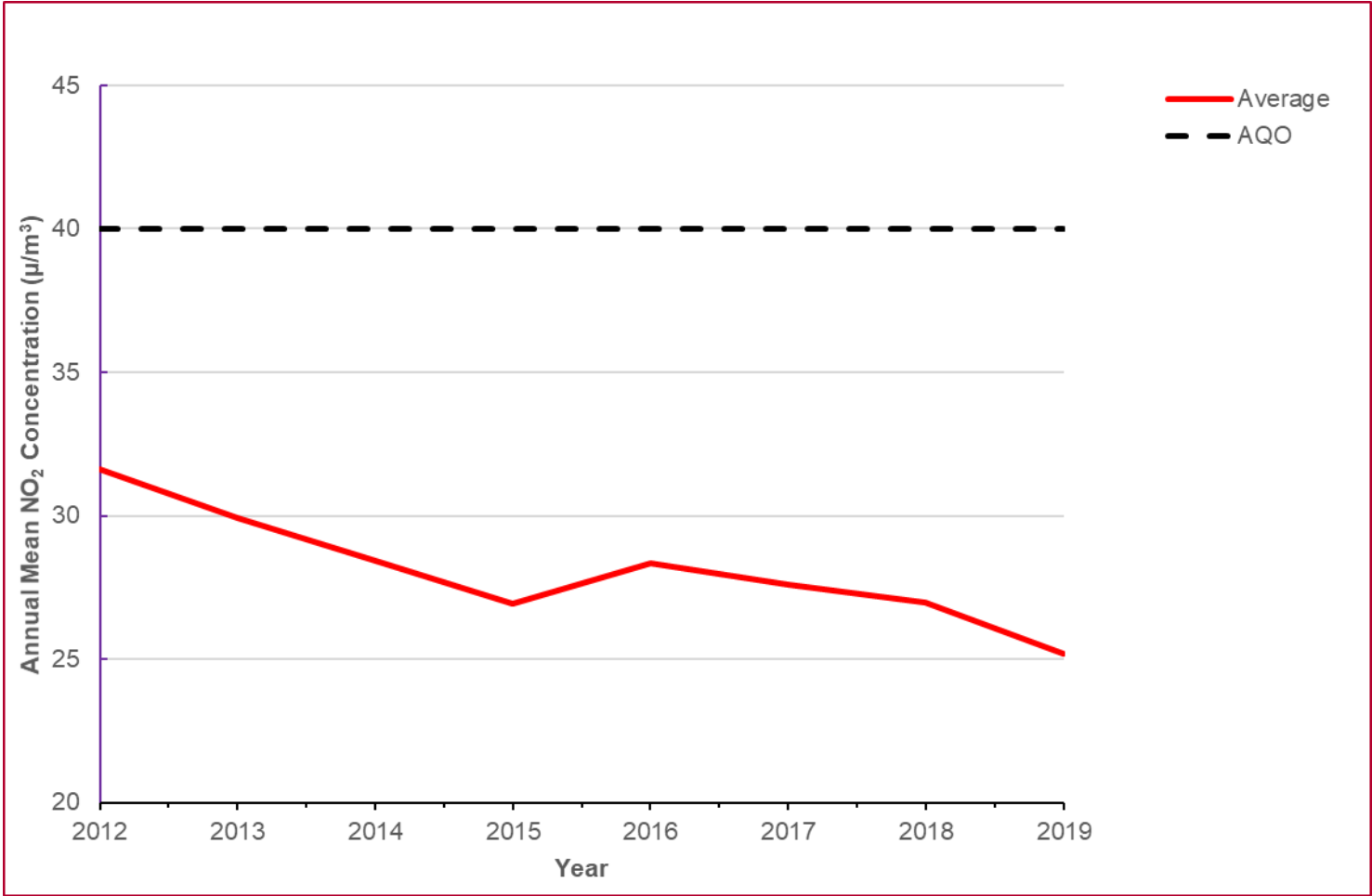
### 4.1 Overview of Air Quality in the District

The Council has completed all the rounds of LAQM Review and Assessment as required by Part IV of the Environment Act 1995, up to the 2020 Annual Status Report which was completed in June 2020.

Monitoring of NO<sub>2</sub> has, and continues to be, completed across the district to ascertain whether concentrations comply with the annual mean AQS objective. In 2019, non-automatic monitoring using passive diffusion tubes was completed at 34 separate monitoring sites located across the district. The total number of monitoring sites has varied from year to year based upon the declaration of AQMAs and through local knowledge in terms of possible hot-spot areas where concentrations potentially may be elevated.

Figure 3 illustrates the trend in average NO<sub>2</sub> concentration for all monitoring undertaken across BDC for each year. Aside from a slight increase in concentrations reported on average across the district between 2015 and 2016, it can be seen that there has been a continual trend of reduction across the district with the lowest average concentration presented in 2019.

Figure 3 – Trend in Annual Mean NO<sub>2</sub> Concentrations across BDC 2012-2019





## 4.2 Proposed Local Developments

Relevant land use changes and future developments anticipated in the surrounding area of the South Normanton AQMA since the previous review undertaken in 2018 are described in Table 4. There are two significant planning proposals that Bureau Veritas are aware of; both of which have had Air Quality Assessments (AQA) completed and following peer review it was concluded that neither would lead to any significant adverse impact upon existing conditions within the AQMA.

**Table 4 – Proposed Local Development Planning Applications**

Planning Application Reference	Description
19/00699/FUL / 19/00648/FUL	<p>Retail development at Castlewood, Sutton-in-Ashfield, consisting of three retail units and associated infrastructure.</p> <p>The predicted change of traffic flow upon the A38 at the closest point to the South Normanton AQMA, based upon an opening year of 2024 for the proposed development was 1.6% (685 vehicles per day).</p> <p>Within the completed AQA a negligible impact due to the proposed scheme has been predicted at the receptor location closest to the AQMA for the proposed opening year of the scheme (2024).</p>
20/00295OUT / 20/00296/FUL	<p>Mixed-use development located at 'Park 38', Cartwright Lane, Bolsover, consisting of hotel/restaurant, two warehouse units and an access road.</p> <p>An increase of 58 vehicles per day was predicted on the southbound M1 exit slip road at Junction 28, the closest road link to the South Normanton AQMA.</p> <p>Within the completed AQA a negligible impact due to the proposed scheme has been predicted at a receptor location within the AQMA for the proposed opening year of the scheme (2025).</p>

Although the two identified developments are likely to increase the amount of road traffic in the local area, particularly on the A38. Due to the location of the A38 in comparison to the South Normanton AQMA, this is not likely to impact as largely on NO<sub>2</sub> concentrations in the vicinity of the AQMA when considered in the context of the existing traffic on the adjacent M1 motorway. It is likely that the overall increase in monitored concentrations reported for South Normanton AQMA in 2017 arise mostly from the nearby motorway traffic. The location of the two developments relative to the AQMA are presented in Figure 4.

## 4.3 M1 Conversion to Smart Motorway

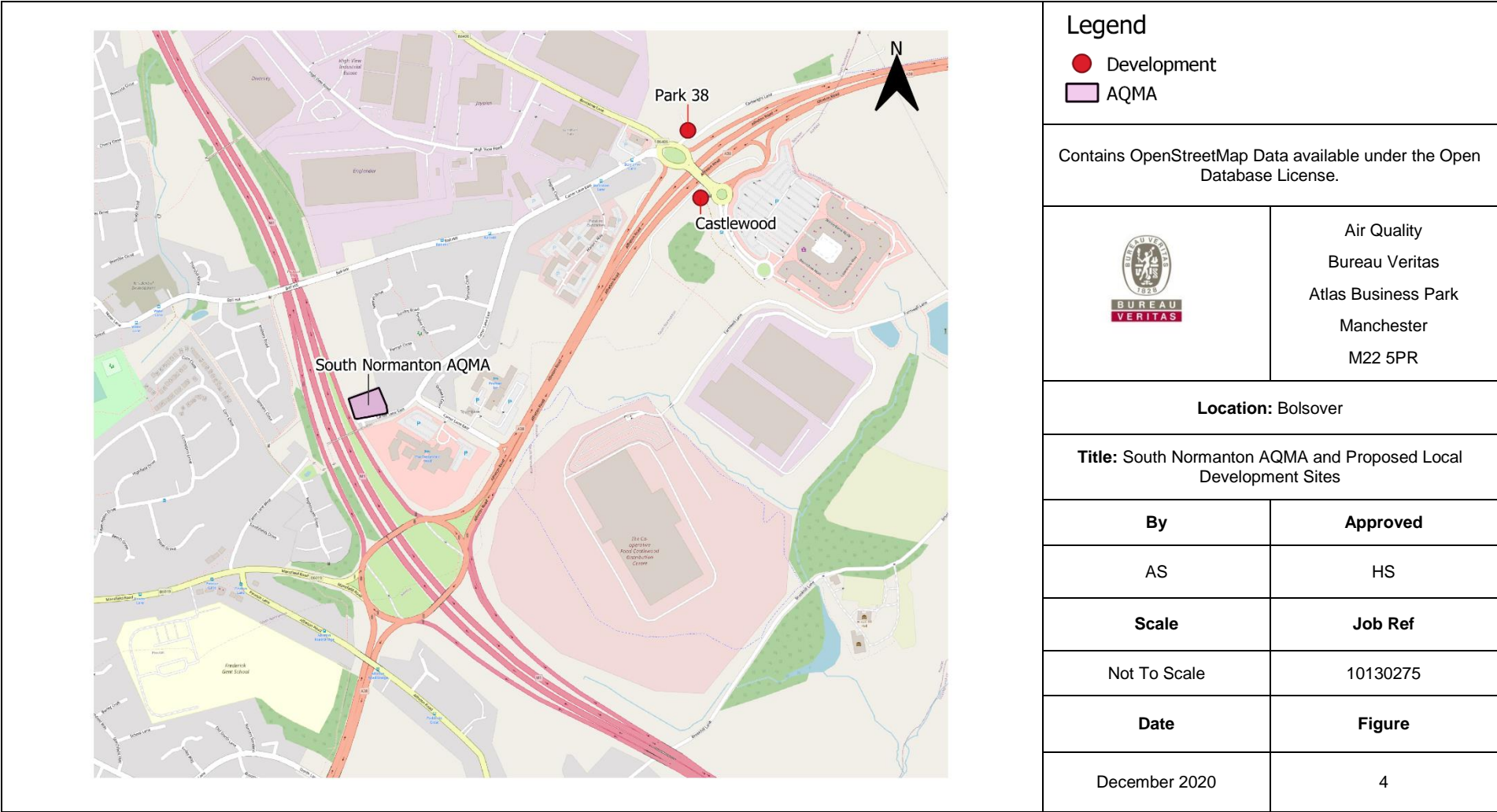
In 2015 Highways England began the conversion of sections of the M1 motorway, including the stretch between Junction 28 and Junction 31 close to the South Normanton AQMA, into a 4-lane smart motorway. The works between Junction 28 and Junction 31 were completed in April 2016, therefore the review completed by Bureau Veritas in 2018 recommended the monitoring at South Normanton AQMA be maintained to monitor the effect of the changes made to the M1 on the NO<sub>2</sub> concentrations.

Following a slight increase experienced in monitored concentrations in 2017, all monitoring sites located within South Normanton AQMA have since significantly declined when compared to pre 2017 concentrations. This may be due to the 4-lane smart motorway conversion or simply due to longer-term trends observed across the district. Based upon the monitoring completed within and close to the South Normanton AQMA, it is unlikely that the conversion of the M1 motorway to a smart motorway has contributed to a worsening of NO<sub>2</sub> concentrations both within, and close to the South Normanton AQMA.





Figure 4 – South Normanton AQMA and Proposed Local Development Sites



## 5 Conclusion

Bureau Veritas was appointed by Bolsover District Council (BDC) to undertake analysis of monitoring data and local development information surrounding South Normanton AQMA, the last of three long-standing AQMAs declared within the borough, with a view to informing the proposed revocation of the AQMA. Defra has further supported the recommendation to consider revocation within the appraisal of the 2020 ASR.

This review has been undertaken in line with the 2016 LAQM technical and policy guidance, which states that it is possible to apply for revocation of an AQMA through analysis of existing monitoring data and local development information.

Two proposed local developments were identified which could impact road traffic in proximity to the AQMA, however, the air quality assessments completed for each concluded that neither would lead to any significant adverse impact upon existing local air quality. These developments are therefore not likely to cause a significant change in traffic figures at or near to the AQMA, particularly when considered in the context of traffic flows on the adjacent M1 motorway.

Diffusion tube monitoring undertaken within the AQMA shows a long-term trend of reductions in annual mean NO<sub>2</sub> concentrations between 2012 and 2016. An increase is observed in the 2017 data, however, there has now been two years of monitoring undertaken since conversion of the adjacent M1 motorway to smart motorway in 2016. There have been no monitored exceedances of the annual mean NO<sub>2</sub> AQS objective since 2012 and a long-term trend of reduction is apparent for all monitoring locations within, and close to the AQMA. The rate of reduction is in line with the overall trend across the district when assessing the average of all monitored NO<sub>2</sub> concentrations for each year, which has been shown to be improving year on year.

On the above basis, it is therefore recommended that the South Normanton AQMA should be revoked. Air quality monitoring should continue at the locations of relevant exposure and it is expected that Bolsover District Council will continue to review air quality in the area and across the district as a whole whilst they continue working to improve air quality across the district.

## **Appendix 4 - Public Consultation Response Summary**

### **Barlborough AQMA Consultation Responses 2019**

#### Barlborough Parish Council

Expressed concerns about major new developments in the area and expressed concern about cessation of monitoring especially at the two monitoring locations at the Treble Bob roundabout.

#### Environment Agency

No objections

#### Director of Public Health – Derbyshire County Council

Air quality is a significant determinant of health and any reduction in air pollution exposure can have a positive impact on population health. Given the air quality management data presented I would be supportive of the proposal to revoke the AQMA in line with DEFRA guidance, on the proviso that air quality monitoring continues for a number of years following the revocation in the respective area(s).

#### Mansfield District Council

No Comments

#### Ashfield District Council

No objections

#### Highways Agency

No Comments

### **South Normanton AQMA Consultation Responses 2021**

#### Chesterfield Borough Council

Support the revocation

#### Environment Agency

No objections or comments.

## **Bolsover District Council**

### **Council**

**2 February 2022**

## **MEDIUM TERM FINANCIAL PLAN 2022/23 to 2025/26**

### **Report of the Portfolio Holder for Finance**

**Classification:** This report is public

**Report By:** Assistant Director of Finance and Resources

**Contact Officer:** Theresa Fletcher – 01246 242458  
theresa.fletcher@bolsover.gov.uk

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### **PURPOSE / SUMMARY**

To seek approval of the proposed budget 2022/23 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 2025/26.

To provide Elected Members with an overview of the Council's financial position in order to inform the decision making process.

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### **REPORT DETAILS**

#### **1 Introduction**

1.1 This report presents the following budgets for Members to consider:

- General Fund – Appendix 1 and 2
- Housing Revenue Account (HRA) – Appendix 3
- Capital Programme – Appendix 4

In particular financial projections are provided for:

- 2021/22 Current Budget Position – this is the current year budget, revised to take account of changes during the financial year that will end on 31<sup>st</sup> March 2022.
- 2022/23 Original Budget – this is the proposed budget for the next financial year, on which the Council Tax will be based, and will commence from 1<sup>st</sup> April 2022.
- 2022/23 Original Budget, this includes proposed increases to rents and fees and charges for the next financial year for the Housing Revenue Account.

- 2023/24 to 2025/26 Financial Plan – In accordance with good practice the Council agrees its annual budgets within the context of a Medium Term Financial Plan (MTFP). This includes financial projections in respect of the next three financial years.
- 1.2 This report and the appendices were considered by Audit and Corporate Overview Scrutiny Committee at its meeting on 20<sup>th</sup> January 2022 and by Executive at its meeting on 31<sup>st</sup> January 2022.

## **General Fund**

### **2021/22 Current Budget**

- 1.3 In February 2021, Members agreed a budget for 2021/22 to determine Council Tax. The original budget showed a funding deficit of £0.291m. Throughout the year budgets have been actively managed with savings removed from the budget once they have been agreed.
- 1.4 The Revised Budget was considered by Executive at its meeting on the 6<sup>th</sup> December 2021 and by the Audit and Corporate Overview Scrutiny Committee at its meeting on 25<sup>th</sup> November. There have been no changes to the budget position since this time. The revised budget funding gap is the planned use of the general fund balance for 2021/22 as agreed in 2020/21 of £0.080m.
- 1.5 The final in-year position will be dependent on the actual financial performance out-turning in line with the revised budgets as there may be further costs and/or savings identified as the year progresses. Whilst these estimates reflect the position at the time of setting there can be some volatility from the budget to the outturn position.
- 1.6 It was agreed that any surplus on the Council's two main revenue accounts be transferred to reserves in preparation for future expenditure and to protect services at a time of declining central government support.

### **2022/23 Original Budget and 2023/24 to 2025/26 Financial Plan**

- 1.7 The financial projection for 2022/23 to 2024/25 was approved by Members in February 2021. The 2021/22 budget process has updated those projections and established a base for 2025/26.
- 1.8 The proposed budgets for 2022/23 and 2023/24 are deficits of £0.082m and £0.018m respectively. As in 1.4 above, this is the planned use of the general fund balance as approved in 2020/21. Based on current information the requirement to achieve financial savings for future years is 2025/26 £1.212m (**Appendix 1**). **Appendix 2** details the net cost of each cost centre by Directorate.
- 1.9 Table 1 on the following page shows the updated figures resulting from the budget process together with estimates of future basic council tax increases. Also included is an estimate of potential new income from current projects and plans known about by the Council. Some of these we are working on ourselves

and some are reliant on developers. At this stage none of this income is realised and is therefore not yet included in our budgets.

**Table 1**

	<b>2021/22 Revised Budget £000</b>	<b>2022/23 Forecast £000</b>	<b>2023/24 Forecast £000</b>	<b>2024/25 Forecast £000</b>	<b>2025/26 Forecast £000</b>
<b>Current Budget Shortfall</b>	<b>81</b>	<b>82</b>	<b>18</b>	<b>0</b>	<b>1,212</b>
Pension costs to be funded by GF balance	(81)	(82)	(18)	0	0
Basic assumption for future council tax increases	0	(112)	(222)	(332)	(442)
Potential new income	0	(443)	(1,097)	(1,682)	(2,141)
<b>Closing Budget Surplus</b>	<b>0</b>	<b>(555)</b>	<b>(1,319)</b>	<b>(2,014)</b>	<b>(1,371)</b>

1.10 The main factors taken into account in developing the Council's financial plans are set out within the sections below.

#### Level of Government Funding

- 1.11 The current financial year 2021/22, was another roll-over settlement. The Spending Review 2020 was effectively a further one-year extension to the four-year settlement that covered the period 2016/17 – 2019/20. (The Spending Review 2019 also covered only one year – 2020/21).
- 1.12 The Spending Review 2021 was due to cover the years 2022/23 – 2024/25 and it was expected it would provide clarity on the impact of the Fair Funding Review; the abolition of the New Homes Bonus; the fundamental review of Business Rates and the baseline reset of Business Rates. It was anticipated the implications of the Levelling Up White Paper would also be made clearer in the announcement.
- 1.13 However, the provisional local government finance settlement announced on December 16<sup>th</sup> was a one-year settlement for 2022/23 only. There were no projected or indicative numbers for the remainder of the spending review period (2023/24 and 2024/25). Therefore, the SR21 is again effectively a roll-over settlement.
- 1.14 As previously discussed many times, the early indicative results of the above reforms were all detrimental to us as a district Council who has seen much growth in recent years, both in business rates and New Homes Bonus grant. The removal of these funding streams will have a major effect on our financial

position. For this reason a delay in their implementation in their current form is not a bad thing for us.

1.15 In his letter of 16<sup>th</sup> December the Secretary of State for Levelling Up, Housing and Communities (DLUHC) wrote, ***“Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013/14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes. As part of this, we will look at options to support local authorities through transitional protection.”***

1.16 The following paragraphs show our government funding for 2022/23 from what we have been told in the provisional settlement and the assumptions we have had to make for future years:

*New Homes Bonus*

1.17 We have been waiting for the results of the Government’s consultation on the future of New Homes Bonus Grant for at least three years. It is widely expected that the grant will be abolished but it is not yet known what, if anything, will replace it.

1.18 We have received a roll-over of the current approach to New Homes Bonus with the delay of its abolition and a new allocation for 2022/23 based on our property numbers. We have been able to include an extra £0.608m in grant income for 2022/23.

1.19 Nothing has been included in the MTFP for 2023/24 onwards as the assumption that New Homes Bonus will disappear completely was established last year when we removed all the income for future years.

*Fair Funding Review*

1.20 Although delayed for another year it is still not known with any clarity what the impact of the Fair Funding Review will be. Initial modelling showed that the recalculated Settlement Funding Assessment (SFA) was redirecting resources to those based on ‘need’ which would impact negatively on most shire districts. However, the 16<sup>th</sup> December letter states ***“we want to take the time to fully consider its (SFA) future distribution in consultation with councils.”***

1.21 With this potential change of tack and the lack of any concrete figures for the likely impact of the Fair Funding Review we have once again not been able to attribute a value in our MTFP to any changes. Some commentators have even questioned whether the Fair Funding Review will be part of any changes to the funding of local government or whether it is just too complicated to implement.

### Business Rates

- 1.22 In early November the government announced that plans to allow councils to retain 75% of Business Rates from April 2022, had been abandoned. It was said the policy would conflict with the government's 'levelling up agenda' and that the government would now 'proceed with caution' on the issue. In fact the 25% extra income was due to be paid to counties and districts were never going to benefit from this arrangement.
- 1.23 The implications on our Business Rates that follow reverting back to 50% instead of 75%, mean we have been able to include an extra £1.532m income for 2022/23. This change to our MTFP is not as a result of the 16<sup>th</sup> December announcement.
- 1.24 The figures in the MTFP for Business Rates have been updated for the latest assumptions around likely changes to our baseline funding level information, tariff amounts and the impact of a business rate reset. This was initially done last year at which time we reduced income by large amounts. This time we have been able to slightly increase the income figures for the inflation allowance which will be added onto our limits by government.
- 1.25 This has resulted in additional income of £0.006m for 2023/24 and £0.274m for 2024/25. It has been assumed 2023/24 is the year when the reset occurs and the income slowly increases each year as we build back the growth lost from the reset. No growth in these business rates figures has been included in any year to protect against further negative adjustments, an estimate of growth will however, be included in **table 1** above.

### Revenue Support Grant

- 1.26 The roll-over settlement has meant a further year of receiving Revenue Support Grant. We will receive £1.232m in this bonus year of receiving the grant. We have assumed no grant will be received from 2023/24 onwards.

### Lower Tier Services Grant

- 1.27 This grant was introduced in 2021/22 to provide damping to authorities with cash-terms reductions in Core Spending Power. It provides additional funding to district councils who are losing the most from the reduction in New Homes Bonus and gain the least from new grant increases and council tax increases.
- 1.28 We have been allocated another payment of this grant for 2022/23 which means we can include an extra £0.131m in the MTFP. Nothing has been included for future years.

### 2022/23 Services Grant

- 1.29 This is a new, one-off grant to support all services delivered by councils. This has been distributed to every authority using the 2013/14 SFA. The amount we are able to include as extra income for 2022/23 is £0.202m. Nothing has been included for future years.
- 1.30 The 2013/14 SFA uses 'deprivation' as the main driver for distribution, rather than 'need' that the more recent calculations were based on. As an area of high



deprivation, in the past we've tended to benefit more from allocations based on this formula. It has been suggested by some that sharing this grant out using 'deprivation' rather than 'need' could be the start of the government's 'levelling up' or at least show their intent. If this were the case it could be good news for district councils like us but we might not find out about this with any certainty until the Spending Review 2022.

- 1.31 To summarise, the Spending Review 2021 was relatively good for local government compared to settlements received before. Districts received the lowest share of the extra government funding with the average increase for a district council of 4.6%, while Counties did better due to the Adult Social Care increases.

#### Mitigating Losses in Government Funding

- 1.32 To help mitigate losses caused by funding changes the NNDR Growth Protection Reserve was created a number of years ago. Originally this included transfers of income from the general fund when Business Rates income calculations were updated for new growth.
- 1.33 This meant income received would be more than initially estimated for that year and the extra amount to be received would be transferred into the reserve, almost as a savings account to be returned back to the general fund when income was reduced in future years.
- 1.34 In recent years extra income received from all sources of Government funding mentioned above have been transferred into the reserve if the budget for that year has already been in surplus when the extra funding has been realised.
- 1.35 The balance accumulated has meant we are able to use the reserve to even out some of the government funding losses over the life of the current MTFP. A transfer from general fund to the reserve will be made in 2022/23 of £0.004m. Latest estimates for transfers back to the general fund are £3.262m 2023/24; £2.990m 2024/25 and the reserve balance of £1.802m in 2025/26.
- 1.36 When savings are found from elsewhere or extra income is earned, the transfers from the reserve are reduced.

#### Expenditure, income levels and efficiencies

- 1.37 In developing the financial projections covering the period 2021/22 to 2025/26, officers have made a number of assumptions. The major assumptions are:
- For 2022/23 to 2025/26 2.25% has been included in staffing budgets as an estimate for a pay award.
  - Investment income as a result of treasury management decisions has been increased slightly (£0.020m) in all years of the MTFP as interest rates are expected to rise. Current rates are 0.25% and an increase is expected in December 2021.
  - Inflation specific budgets such as energy costs and fuel have been amended to reflect anticipated price changes.
  - With respect to planning fees, a base level for income has been included for all future years of £0.400m. The rules of the Government's 20%

increase to planning fees means we have to set-aside the additional 20% income we receive, to be spent specifically on the planning function.

- Fees and charges – service specific increases as agreed by Members.

## **Council Tax Implications**

### Council Tax Base

- 1.38 In preparation for the budget, the Chief Financial Officer under delegated powers has determined the Tax Base at Band D for 2022/23 as 22,443.26. This is an increase on the 2021/22 Tax Base which was reduced from previous levels as the Covid pandemic affected individuals financially. The Tax Base for 2022/23 looks to be back on track to where it perhaps would've been if the pandemic had not occurred.

### Council Tax Options

- 1.39 The Council's part of the Council Tax bill in 2021/22 was set at £186.28 for a Band D property. This was an increase of 2.75%
- 1.40 The Council has a range of options when setting the Council Tax. The Government indicate what upper limit they consider acceptable. For 2022/23 District Councils are permitted to increase their share of the Council Tax by the greater of 2% or £5 without triggering the need to hold a referendum.
- 1.41 The table below shows some of the options and the extra revenue generated.

Increase	New Band D £	Annual Increase £	Weekly Increase £	Extra Revenue £
1.00%	188.14	1.86	0.04	41,753
2.00%	190.00	3.73	0.07	83,560
2.68%	191.28	5.00	0.10	112,163

- 1.42 The level of increase each year affects the base for future years and the proposed increase for 2022/23 is 2.68%, generating additional revenue of £112,163.
- 1.43 Members will recall that in our Medium Term Financial Strategy (MTFS) approved in November 2021, we have the strategic intention '*to raise Council Tax by the maximum allowed in any given year, without triggering a Council Tax referendum, to endeavour to continue to deliver services*'.

## **Financial Reserves – General Fund**

- 1.44 The Council's main uncommitted Financial Reserves are the General Fund Working Balance of £2.101m, the uncommitted element of the Transformation Reserve of £0.851m and the NNDR Growth Protection Reserve of £8.050m. Due to the uncertainty surrounding local authority income and the fact that the Council has reduced budgets to a minimal level, it is important that the Council

continues to review whether we have an acceptable General Fund Working Balance.

## **Housing Revenue Account (HRA)**

### **2021/22 Current Budget**

- 1.45 In February 2021, Members agreed a budget for 2021/22. Rent levels were set in line with Government regulations with an increase of 1.5%, effective from 1<sup>st</sup> April 2021. HRA fees and charges were also set, effective from the same date.
- 1.46 The Revised Budget was considered by Executive at its meeting on the 6<sup>th</sup> December 2021 and by the Audit and Corporate Overview Scrutiny Committee at its meeting on 25<sup>th</sup> November. There have been no changes to the budget position since this time.
- 1.47 A surplus of £0.006m was estimated, which was in-line with the current budget.

### **2022/23 Original Budget and 2023/24 to 2025/26 Financial Plan**

- 1.48 The proposed budget for 2022/23 currently shows a surplus of £0.001m. Based on current information the surplus for future years is 2023/24 £0.004m; 2024/25 £0.004m; 2025/26 £0.011m. (**Appendix 3**). The proposal is to transfer the surplus into the HRA Revenue Reserve in all years.
- 1.49 The HRA budget is made up of the same assumptions as the General Fund budget for staff costs, superannuation costs and inflation. There are however, some assumptions that are specific to the HRA. The main factors taken into account in developing the Council's financial plans for the HRA are set out within the sections below.

### Level of Council Dwelling Rents

- 1.50 The MHCLG (now Department for Levelling Up, Housing and Communities DLUHC) Policy Statement on rents for social housing – published February 2019 states, *'In October 2017, the government announced its intention to set a long-term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to CPI (Consumer Price Index) plus 1 percent from 2020, for a period of at least five years.'*
- 1.51 Therefore for 2022/23 the income for dwelling rents has been included in the budget at CPI rate 3.1% plus 1%. For future years it has been assumed the same policy will apply but 2% has been included as an estimate of the increase in income.
- 1.52 The table below shows the average rent increases on a 48 week basis, excluding service charges, for both Social Rent and Affordable Rent, which is charged on all new build properties.

Increase	New Rent Charge	Annual Increase	Weekly Increase	Range of New Rent Charge
4.1%	£88.92	£155.04	£3.23	£64.40 - £115.69
Average for Social Rent on a 48 week basis				
4.1%	£117.11	£204.00	£4.25	£83.79 - £206.12
Average for Affordable Rent on a 48 week basis				

#### Empty Property Levels - Voids

- 1.53 It is inevitable during a financial year that there will be occasion when properties are empty and therefore no income will be earned. This could be the gap in the tenancy between one tenant vacating and the next one taking up the property or could be part of a management decision to leave the property empty because it is part of a capital or repair scheme which is soon to commence.
- 1.54 An estimate of the number of void properties which may occur in each financial year needs to be made so that the dwelling rent income budget can be reduced to reflect this. For 2022/23 to 2025/26 the estimate for voids which has been included in the MTFP is 3%.

#### Fees and Charges

- 1.55 Although the main source of income for the HRA is property rents, the HRA is also dependent for its financial sustainability on a range of other charges. These charges are set on the principle that wherever possible charges for services should reflect the cost of providing those services.
- 1.56 A schedule of the proposed charges is set out at **Appendix 3, table 1**. For 2022/23 in most cases the charges are recommended to be increased by CPI 3.1% plus 1%.

#### **Financial Reserves - HRA**

- 1.57 The Council's main uncommitted Financial Reserves are the Housing Revenue Account Working Balance of £2.077m. In addition to the Working Balance there are further reserves for the HRA used only to fund the Council's HRA capital programme. These are the Major Repairs Reserve, New Build Reserve, Vehicle Repair and Renewal Reserve and Development Reserve.

#### **Capital Programme**

- 1.58 There will be three separate reports to Council on 2<sup>nd</sup> February 2022 concerning the Council's Treasury Management Strategy, Investment Strategy and Capital Strategy. The Capital Strategy report will consider capital financing such as borrowing which enables the proposed capital programme budgets to proceed.

#### **2021/22 Current Budget**

- 1.59 In February 2021, Members approved a Capital Programme in respect of 2021/22 to 2024/25. Scheme delays and technical problems can cause

expenditure to slip into following years and schemes can be added or extended as a result of securing additional external funding. Where capital expenditure slipped into 2021/22 the equivalent amount of funding was not applied during 2020/21 and is therefore available in 2021/22 to meet the delayed payments.

- 1.60 The Revised Capital Programme was considered by Executive at its meeting on 6<sup>th</sup> December 2021 and by the Audit and Corporate Overview Scrutiny Committee at its meeting on 25<sup>th</sup> November. There have been no changes to the budget position since this time.

#### **General Fund Capital Programme 2022/23 to 2025/26**

- 1.61 The proposed Capital Programme for the General Fund totals £1.911m for 2022/23; £2.559m for 2023/24; £1.031m for 2024/25 and £0.941m for 25/26 (**Appendix 4**).

#### **Housing Revenue Account Capital Programme 2022/23 to 2025/26**

- 1.62 The proposed Capital Programme for the Housing Revenue Account totals £14.451m for 2022/23; £14.819m for 2023/24; £14.046m for 2024/25 and £5.387m for 2025/26 (**Appendix 4**).
- 1.63 A list of all the schemes and associated funding are attached as **Appendix 4** to this report.

#### **Robustness of the Estimates – Section 25 to expand on this year!**

- 1.64 Under the provisions of the Local Government Act 2003, the Council's Section 151 Officer is required to comment on the robustness of the estimates made and on the adequacy of the financial reserves.
- 1.65 The Council's Section 151 Officer (The Assistant Director of Finance and Resources) is satisfied that the estimates are considered to be robust, employee costs are based on the approved establishment, investment income is based on the advice of the Council's Treasury Management Advisors and income targets are considered to be achievable.
- 1.66 Likewise the Section 151 Officer is satisfied that the levels of reserves are considered to be adequate to fund planned expenditure and potential issues and risks that face the Council.

## **2 Reasons for Recommendation**

- 2.1 This report presents a budget for approval by Council. It seeks to ensure approval to budgets in respect of the General Fund, the Housing Revenue Account and the Capital Programme.

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

- 3.1 Alternative options are considered throughout the report.

## RECOMMENDATIONS

- 1 That in the view of the Chief Financial Officer, that the estimates included in the Medium Term Financial Plan 2022/23 to 2025/26 are robust and that the level of financial reserves whilst at minimum levels are adequate, be accepted.
- 2 That officers report back to Executive and to the Audit and Corporate Overview Scrutiny Committee on a quarterly basis regarding the overall position in respect of the Council's budgets. These reports to include updates on achieving savings and efficiencies for 2022/23 and future years.

### GENERAL FUND

- 3 A Council Tax increase of £5.00 is levied in respect of a notional Band D property (2.68%).
- 4 The Medium Term Financial Plan in respect of the General Fund as set out in Appendix 1 of this report be approved as the Revised Budget 2021/22, as the Original Budget in respect of 2022/23, and the financial projection in respect of 2023/24 to 2025/26.
- 5 That any further under spend in respect of 2021/22 is transferred to the Council's General Fund Reserves.
- 6 On the basis that income from Planning Fees may exceed £0.500m in 2021/22, the Head of Paid Service in consultation with the Leader be granted delegated powers to authorise such additional resources as are necessary to effectively manage the resultant increase in workload.

### HOUSING REVENUE ACCOUNT

- 7 That Council sets its rent levels in line with government policy, increasing rent levels by CPI (3.1%) plus 1% to apply from 1<sup>st</sup> April 2022.
- 8 That the increases in respect of other charges as outlined in **Appendix 3 Table 1** be implemented with effect from, 1<sup>st</sup> April 2022.
- 9 The Medium Term Financial Plan in respect of the Housing Revenue Account as set out in **Appendix 3** of this report be approved as the Revised Budget in respect of 2021/22, as the Original Budget in respect of 2022/23, and the financial projection in respect of 2023/24 to 2025/26.
- 10 That under spends in respect of 2021/22 to 2025/26 are transferred to the HRA Revenue Reserve.

### CAPITAL PROGRAMME

- 11 That the Capital Programme as set out in **Appendix 4** be approved as the Revised Budget in respect of 2021/22, and as the Approved Programme for 2022/23 to 2025/26.

- 12 That the Assistant Director of Property Services and Housing Repairs be granted delegated powers in consultation with the Portfolio Member and the Asset Management group to approve the utilisation of the £260,000 of AMP Refurbishment Work allocation, with such approvals to be reported back to Executive through the Quarterly Budget Monitoring Report.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Finance

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## IMPLICATIONS

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**Finance and Risk:**            Yes ☒            No ☐

**Details:**

The issue of Financial Risks is covered throughout the report.

In addition, the Council has a risk management strategy and associated framework in place and the Strategic Risk Register is regularly reviewed through the Council's performance management framework. Strategic risks along with the mitigation in place to ensure such risks are manageable are reported to the Audit and Corporate Overview Scrutiny Committee on a quarterly basis. The risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register and is therefore closely monitored through these practices and reporting processes.

Similarly the HRA needs to be carefully managed to ensure the HRA continues to be sustainable over the life of the 30 year business plan.

On Behalf of the Section 151 Officer

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

**Details:**

The Council is legally obliged to approve a budget prior to the commencement of the new financial year in April 2022. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.

The recommended budget for the General Fund, Housing Revenue Account and Capital Programme comply with the Council's legal obligation to agree a balanced budget.

There are no Data Protection issues arising directly from this report.

On Behalf of the Solicitor to the Council

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**Staffing:**            Yes ☐            No ☒

**Details:**

These are covered in the main report and supporting Appendices where appropriate.

**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>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	Yes
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	Yes
<b>District Wards Significantly Affected</b>	All
<b>Consultation:</b> Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes  Details: Portfolio Holder

**Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.**

**DOCUMENT INFORMATION**

Appendix No	Title
1	General Fund Summary
2	General Fund Detail
3	Housing Revenue Account
3 table 1	HRA – Fees and Charges 2022/23
4	Capital Programme
<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 (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
None	



**BOLSOVER DISTRICT COUNCIL  
GENERAL FUND**

**APPENDIX 1**

Description	Revised Budget 2021/22 £	Original Budget 2022/23 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £
Corporate Resources	3,466,499	3,016,469	2,996,599	3,053,951	3,074,245
Development	2,025,104	1,981,704	1,938,428	1,982,017	2,041,718
Environment and Enforcement	5,171,020	5,517,471	5,689,151	5,849,314	5,954,973
<u>S106 Expenditure</u>					
Corporate Resources	156,430	534,579	6,936	16,697	0
Development	(39,996)	789,479	0	0	0
<b>Net Cost of Services</b>	<b>10,779,057</b>	<b>11,839,702</b>	<b>10,631,114</b>	<b>10,901,979</b>	<b>11,070,936</b>
Debt Charges	925,686	562,762	467,663	278,030	251,725
Investment Interest	(89,167)	(97,944)	(92,463)	(88,111)	(105,082)
<b>Appropriations:</b>					
Contributions to Reserves	910,740	1,411,667	220,667	156,667	156,667
Contribution from Earmarked Reserves	(4,374,323)	(320,005)	(102,768)	(48,572)	(32,978)
Contribution (from)/to NNDR Growth Protection Reserve	1,818,693	3,921	(3,261,972)	(2,989,781)	(1,801,896)
Contribution from Grant Accounts	(5,320)	(5,320)	(5,320)	(5,320)	(5,320)
Contribution (from)/to Holding Accounts	(444,444)	(271,038)	(81,326)	(112,865)	(60,890)
Contribution from S106 Holding A/cs	(117,434)	(1,324,058)	(6,936)	(16,697)	0
<b>TOTAL EXPENDITURE</b>	<b>9,403,488</b>	<b>11,799,687</b>	<b>7,768,659</b>	<b>8,075,330</b>	<b>9,473,162</b>
Parish Precepts	3,294,344	3,294,344	3,294,344	3,294,344	3,294,344
<b>TOTAL SPENDING REQUIREMENT</b>	<b>12,697,832</b>	<b>15,094,031</b>	<b>11,063,003</b>	<b>11,369,674</b>	<b>12,767,506</b>
Revenue Support Grant	(1,194,913)	(1,231,521)	0	0	0
Business Rates Retention total	(5,754,814)	(5,325,514)	(3,626,000)	(3,894,600)	(4,080,400)
Business Rates deficit due to Covid reliefs	3,196,936	0	0	0	0
New Homes Bonus Grant total	(495,861)	(703,263)	0	0	0
Lower Tier Services Grant 21/22	(228,904)	(131,270)	0	0	0
2022/23 Services Grant	0	(201,739)	0	0	0
COUNCIL TAX - BDC precept	(4,103,006)	(4,180,730)	(4,180,730)	(4,180,730)	(4,180,730)
Council tax - Parish element from above	(3,294,344)	(3,294,344)	(3,294,344)	(3,294,344)	(3,294,344)
Council Tax Collection Fund Surplus	53,620	0	0	0	0
Council Tax spread of 20/21 Covid loss	56,416	56,416	56,416	0	0
COVID-19 Related Support	(852,291)	0	0	0	0
<b>TOTAL FUNDING</b>	<b>(12,617,161)</b>	<b>(15,011,965)</b>	<b>(11,044,658)</b>	<b>(11,369,674)</b>	<b>(11,555,474)</b>
<b>FUNDING GAP / (SURPLUS)</b>	<b>80,671</b>	<b>82,066</b>	<b>18,345</b>	<b>0</b>	<b>1,212,032</b>

## APPENDIX 2

List of General Fund net budgets per cost centre per directorate

		Revised	Original			
		Budget	Budget	Forecast	Forecast	Forecast
		2021/22	2022/23	2023/24	2024/25	2025/26
		£	£	£	£	£
G001	Audit Services	123,903	128,660	128,660	128,660	128,660
G002	I.C.T.	869,366	966,750	978,481	989,336	989,122
G003	Communications, Marketing + Design	285,944	273,771	280,750	287,069	291,760
G006	Partnership, Strategy + Policy	453,250	422,600	427,377	444,014	458,486
G011	Head of Leader's Executive Team	71,219	86,903	88,892	90,921	92,995
G012	Community Champions	126,077	597	597	597	597
G014	Customer Contact Service	760,440	781,188	803,265	823,942	842,342
G015	Customer Service + Improvement	117,015	130,942	133,863	136,868	139,308
G016	Skills Audit	34,840	15,160	0	0	0
G038	Concessionary Fares + TV Licenses	(10,283)	(10,380)	(10,478)	(10,578)	(10,689)
G040	Corporate Management	170,565	185,183	187,158	193,229	193,804
G041	Non Distributed Costs	685,609	664,737	664,737	664,737	664,737
G044	Financial Services	303,739	325,785	330,935	339,072	352,527
G052	Human Resources	220,635	224,490	228,631	233,898	237,236
G054	Electoral Registration	182,130	190,775	194,459	197,778	201,173
G055	Democratic Representation + Management	534,284	521,076	521,083	520,921	520,929
G056	Land Charges	1,099	(1,378)	(300)	743	1,806
G057	District Council Elections	16,688	25,000	53,000	0	0
G058	Governance	307,729	332,525	346,499	361,498	372,947
G060	Legal Services	254,969	243,175	239,495	245,752	251,233
G061	Bolsover Wellness Programme	120,549	64,921	45,126	48,307	51,560
G062	Extreme Wheels	(6,758)	26,407	(2,135)	(835)	496
G064	Bolsover Sport	140,734	139,395	143,645	146,959	150,349
G065	Parks, Playgrounds + Open Spaces	39,832	41,364	41,262	45,065	45,830
G069	Arts Projects	49,930	51,157	52,108	53,080	54,075
G070	Outdoor Sports + Recreation Facilities	19,849	19,663	20,021	20,383	20,757
G072	Leisure Services Mgmt + Admin	261,096	263,237	268,810	273,458	278,158
G084	AD of Transformation + Organisation	37,638	0	0	0	0
G086	Alliance	5,250	5,250	5,250	5,250	5,250
G094	Director of Corporate Resources	18,954	0	0	0	0
G100	Benefits	317,857	406,470	450,312	488,712	485,607
G103	Council Tax / NNDR	222,077	384,537	397,236	408,756	420,897
G111	Shared Procurement	46,779	49,171	50,597	51,933	53,295
G115	One Public Estate Shirebrook		0	0	0	0
G117	Payroll	73,228	75,160	76,647	78,151	79,689
G125	S106 Percent for Art	1,815	20,970	0	0	0
G126	S106 Formal + Informal Recreation	45,858	153,067	6,936	16,697	0
G129	Bolsover Apprenticeship Programme	(2,000)	0	0	0	0
G146	Pleasley Vale Outdoor Activity Centre	54,218	56,107	52,671	50,016	50,903
G155	Customer Services (Complaints)	36,596	37,655	33,166	33,935	34,723
G157	Controlling Migration Fund	121,469	1,733	137	138	139
G161	Rent Rebates	(112,204)	(134,349)	(131,783)	(129,443)	(127,321)
G162	Rent Allowances	24,701	38,352	25,493	15,824	7,185

## APPENDIX 2

List of General Fund net budgets per cost centre per directorate

		Revised	Original			
		Budget	Budget	Forecast	Forecast	Forecast
		2021/22	2022/23	2023/24	2024/25	2025/26
		£	£	£	£	£
G164	Support Recharges	(4,020,859)	(4,393,307)	(4,486,758)	(4,606,410)	(4,697,383)
G168	Multifunctional Printers	39,900	37,600	37,600	37,600	37,600
G170	S106 Outdoor Sports	108,757	360,542	0	0	0
G175	Leisure Outdoor Activity Events	0	0	0	0	0
G179	School Sports Programme	(5,377)	0	0	0	1
G180	Special Events	(317)	0	0	0	0
G191	Bolsover Community Lottery	(2,290)	0	0	0	0
G192	Scrutiny	22,626	23,308	23,760	24,283	24,818
G195	AD of Governance + Monitoring	39,192	94,105	96,246	98,430	100,665
G197	AD of Finance + Resources	72,077	93,665	95,806	97,990	100,225
G204	Construction Skills for the Unemployed	4,000	4,000	0	0	0
G207	Balanceability	1,586	0	0	0	0
G218	I-Venture/Namibia Bound	(9,516)	34,484	(9,516)	22,000	0
G220	Locality Funding	(20,665)	0	0	0	0
G228	Go Active Clowne Leisure Centre	171,289	(3,091)	23,091	47,140	72,714
G238	HR Health + Safety	96,763	91,918	90,714	94,766	95,044
G241	Community Rail	(26,025)	0	0	0	0
G244	Bolsover Business Growth Fund	125,102	0	0	0	0
<b>Total for Corporate Resources Directorate</b>		<b>3,622,929</b>	<b>3,551,050</b>	<b>3,003,546</b>	<b>3,070,642</b>	<b>3,074,249</b>
G031	S106 - Biodiversity	0	15,035	0	0	0
G073	Planning Policy	295,092	261,622	267,471	262,734	269,293
G074	Planning Development Control	(97,232)	23,352	14,549	27,463	36,468
G076	Planning Enforcement	115,994	130,039	133,741	114,620	101,008
G079	Senior Urban Design Officer	22,698	23,174	23,706	24,245	24,796
G080	Engineering Services (ESRM)	98,081	99,280	101,091	102,957	104,877
G082	Tourism Promotion + Development	17,025	42,816	45,796	48,976	52,373
G083	Building Control Consortium	55,000	55,000	55,000	55,000	55,000
G085	Economic Development	97,130	29,425	29,425	29,425	29,425
G088	Derbyshire Economic Partnership	15,000	15,000	15,000	15,000	15,000
G089	Premises Development	(38,122)	(44,030)	(42,621)	(41,336)	(40,117)
G090	Pleasley Vale Mills	(56,388)	(164,659)	(162,082)	(159,494)	(156,839)
G091	CISWO Duke St Building	7,000	0	0	0	0
G092	Pleasley Vale Electricity Trading	(62,000)	(67,312)	(72,515)	(73,510)	(73,501)
G095	Estates + Property	526,123	551,714	568,458	583,125	597,416
G096	Building Cleaning (General)	103,546	104,222	106,299	108,360	110,364
G099	Catering	500	500	500	500	500
G109	Director of Development	114,231	141,401	144,615	147,893	151,248
G110	AD of Planning + Development	71,718	86,888	88,877	90,906	92,980
G114	Strategic Investment Fund	30,984	100,000	0	0	0
G128	S106 - Community Facilities	(58,460)	0	0	0	0
G131	Bolsover Community Woodlands Project	0	0	0	5,000	10,000
G132	Planning Conservation	82,885	29,231	35,365	36,174	37,002
G133	The Tangent Business Hub	(54,356)	(54,528)	(52,032)	(49,493)	(46,882)

## APPENDIX 2

List of General Fund net budgets per cost centre per directorate

		Revised	Original			
		Budget	Budget	Forecast	Forecast	Forecast
		2021/22	2022/23	2023/24	2024/25	2025/26
		£	£	£	£	£
G138	Bolsover TC Regeneration Scheme	19,745	0	0	0	0
G151	Street Lighting	37,625	38,604	39,612	40,650	41,720
G156	The Arc	142,717	155,374	160,874	166,451	172,184
G167	Facilities Management	13,724	9,669	11,838	10,442	11,838
G169	Closed Churchyards	10,000	10,000	10,000	10,000	10,000
G172	S106 Affordable Housing	1,116	0	0	0	0
G188	Cotton Street Contact Centre	29,745	31,007	31,692	32,393	33,014
G193	Business Growth Management + Admin	391,165	365,227	374,883	384,446	393,253
G200	AD of Housing Repairs + Property Services	7,049	8,688	8,886	9,090	9,298
G226	S106 - Highways	0	599,463	0	0	0
G227	S106 - Public Health	18,348	174,981	0	0	0
G237	Joint Venture (LLP)	27,425	0	0	0	0
<b>Total for Development Directorate</b>		<b>1,985,108</b>	<b>2,771,183</b>	<b>1,938,428</b>	<b>1,982,017</b>	<b>2,041,718</b>
G007	Community Safety - Crime Reduction	52,179	62,755	64,366	66,007	67,684
G010	Neighbourhood Management	65,268	66,885	67,544	68,211	68,883
G013	Community Action Network	291,881	295,367	314,594	329,705	337,727
G017	Private Sector Housing Renewal	83,845	85,378	86,576	87,797	89,447
G018	Environmental Health - Covid Team	(91,770)	0	0	0	0
G020	Public Health	(98,000)	(70,000)	(70,000)	(70,000)	(70,000)
G021	Pollution Reduction	202,492	234,844	240,221	245,820	251,293
G022	Env Health - Health + Safety	(470)	0	0	0	0
G023	Pest Control	45,594	33,314	34,282	35,279	36,307
G024	Street Cleansing	319,979	330,528	338,305	344,553	352,453
G025	Food, Health & Safety	133,331	133,397	136,695	140,196	143,216
G026	Animal Welfare	99,136	98,632	100,015	102,735	105,531
G027	Emergency Planning	135,172	16,447	16,447	16,447	16,447
G028	Domestic Waste Collection	979,449	1,020,138	1,058,902	1,090,473	1,118,444
G032	Grounds Maintenance	694,635	717,796	739,264	758,523	779,193
G033	Vehicle Fleet	973,410	1,031,204	1,047,892	1,086,643	1,102,522
G036	Environmental Health Mgmt & Admin	239,970	261,162	265,302	268,342	271,431
G043	Director of Environment + Enforcement	95,291	141,306	144,520	147,798	151,153
G046	Homelessness	159,170	156,600	159,036	161,519	134,056
G048	Town Centre Housing	(10,600)	(10,600)	(10,600)	(10,600)	(10,600)
G053	Licensing	25,591	34,049	36,906	39,525	41,506
G097	Groundwork + Drainage Operations	69,693	72,914	74,601	76,305	78,047
G106	Housing Anti Social Behaviour	120,379	137,313	142,674	148,264	152,423
G113	Parenting Practitioner	35,481	37,779	38,929	40,098	41,292
G123	Riverside Depot	153,407	164,981	168,882	172,962	177,149
G124	Street Servs Mgmt + Admin	44,984	46,078	47,137	48,212	49,307
G135	Domestic Violence Worker	43,468	44,737	45,701	46,680	47,684
G142	Community Safety - CCTV	6,407	0	0	0	0
G143	Housing Strategy	52,441	37,731	34,182	22,650	22,853
G144	Enabling (Housing)	34,402	19,249	19,449	19,650	19,853

## APPENDIX 2

List of General Fund net budgets per cost centre per directorate

		Revised	Original			
		Budget	Budget	Forecast	Forecast	Forecast
		2021/22	2022/23	2023/24	2024/25	2025/26
		£	£	£	£	£
G148	Commercial Waste	(145,758)	(141,600)	(142,600)	(143,000)	(143,000)
G149	Recycling	254,178	298,950	326,471	340,430	352,365
G153	Housing Advice	15,295	15,927	16,292	16,664	17,044
G176	Affordable Warmth	21,124	21,631	21,813	21,997	22,182
G198	AD of Enforcement + Housing Management (GF)	28,362	35,049	35,846	36,657	37,486
G199	AD of Street Scene	39,851	86,530	88,507	90,529	92,595
G229	Housing Standards	(2,500)	0	0	0	0
G239	Housing + Comm Safety Fixed Penalty Acc	4,253	1,000	1,000	2,243	1,000
<b>Total for Environment + Enforcement Directorate</b>		<b>5,171,020</b>	<b>5,517,471</b>	<b>5,689,151</b>	<b>5,849,314</b>	<b>5,954,973</b>
<b>Total Net Cost of Services</b>		<b>10,779,057</b>	<b>11,839,704</b>	<b>10,631,125</b>	<b>10,901,973</b>	<b>11,070,940</b>

## Housing Revenue Account

## APPENDIX 3

	Revised Budget 2021/22	Original Budget 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
<b>Expenditure</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repairs and Maintenance	5,283,929	5,886,947	5,706,500	5,814,150	5,891,347
Rents, Rates, Taxes + Other Charges	302,766	295,675	297,774	249,061	250,349
Supervision and Management	5,499,360	5,852,044	5,999,780	6,144,831	6,258,595
Special Services	426,341	436,940	450,330	458,044	465,991
Housing Related Support - Wardens	611,483	639,755	658,795	671,358	684,178
Housing Related Support - Central Control	306,714	343,721	355,227	362,089	369,553
Tenants Participation	84,405	71,055	72,594	91,162	75,763
New Build Schemes Evaluations	600,000	600,000	250,000	250,000	250,000
New Bolsover Project	4,808	5,000	0	0	0
Leasehold Flats	6,606	0	0	0	0
Debt Management Expenses	8,146	8,250	8,498	8,752	9,015
<b>Total Expenditure</b>	<b>13,134,558</b>	<b>14,139,387</b>	<b>13,799,498</b>	<b>14,049,447</b>	<b>14,254,791</b>
<b>Income</b>					
Dwelling Rents	(20,541,465)	(21,768,926)	(22,204,310)	(22,648,390)	(23,101,360)
Non-dwelling Rents	(112,812)	(117,402)	(119,735)	(122,110)	(124,538)
Leasehold Flats and Shops Income	(14,480)	(14,480)	(14,480)	(14,480)	(14,480)
Repairs and Maintenance	(17,538)	(17,708)	(17,500)	(17,500)	(17,500)
Supervision and Management	(562)	0	0	0	0
Special Services	(32,145)	(32,145)	(32,145)	(32,145)	(32,145)
Housing Related Support - Wardens	(404,924)	(129,906)	(132,436)	(135,017)	(137,649)
Housing Related Support - Central Control	(304,466)	(210,767)	(214,982)	(219,281)	(223,666)
New Bolsover Project	(808)	0	0	0	0
<b>Total Income</b>	<b>(21,429,200)</b>	<b>(22,291,334)</b>	<b>(22,735,588)</b>	<b>(23,188,923)</b>	<b>(23,651,338)</b>
<b>Net Cost of Services</b>	<b>(8,294,642)</b>	<b>(8,151,947)</b>	<b>(8,936,090)</b>	<b>(9,139,475)</b>	<b>(9,396,547)</b>
<b>Appropriations:</b>					
Increase in Bad Debt Provision	180,000	130,000	130,000	130,000	130,000
Capital Interest Costs	3,170,593	3,095,942	3,006,373	2,795,098	2,633,063
Investment Interest Income	(1,335)	(1,985)	(1,985)	(1,985)	(1,985)
Depreciation	4,274,630	4,274,630	4,274,630	4,274,630	4,274,630
Transfer to Major Repairs Reserve	1,112,070	725,370	1,112,070	1,112,070	1,112,070
Contribution to HRA Reserves	430,000	566,000	800,000	1,076,000	1,388,000
Use of HRA Earmarked Reserves	(838,906)	(600,000)	(350,000)	(250,000)	(150,000)
Contribution from HRA Balance	(38,693)	(38,693)	(38,693)	0	0
<b>Net Operating (Surplus)</b>	<b>(6,283)</b>	<b>(683)</b>	<b>(3,695)</b>	<b>(3,662)</b>	<b>(10,769)</b>

**HRA - Fees and Charges 2022/23****Weekly Charge over 48 Weeks unless otherwise specified****September 2021 Consumer Price Index was 3.1%**

	<b>Current</b>	<b>Proposed</b>	<b>Change</b>	<b>Change</b>
	£	£	£	%
Garages (tenant)	13.05	13.59	0.54	4.1%
Garage - Direct Debit Payment	9.85	10.26	0.40	4.1%
Garage (in curtilage)	4.93	5.13	0.20	4.1%
(Set at 50% of garage DD payment)				
Garage plots (billed annually)	211.09	219.75	8.65	4.1%
New Bolsover Service Charge	2.08	2.17	0.09	4.1%
(applies to new tenants only)				
Special Services Charge (See Note1)	17.08	17.78	0.70	4.1%
Reduced special service	11.39	11.85	0.47	4.1%
(Reduced special services for scheme other than Cat 2 who receive reduced service)				
Heating Service Charge (See Note 2)				
Bedsits	2.97	3.09	0.12	4.1%
1 bed flat	4.04	4.21	0.17	4.1%
2 bed flat	6.74	7.02	0.28	4.1%
3 bed flat	7.46	7.77	0.31	4.1%
1 bed bungalow	4.49	4.68	0.18	4.1%
2 bed bungalow	5.98	6.22	0.25	4.1%
Heating Charge (See Note 3)				
Bedsits	4.83	4.83	0.00	0.0%
1 bed flat	6.58	6.58	0.00	0.0%
2 bed flat	10.97	10.97	0.00	0.0%
3 bed flat	12.14	12.14	0.00	0.0%
1 bed bungalow	7.31	7.31	0.00	0.0%
2 bed bungalow	9.73	9.73	0.00	0.0%
Support Charges	14.57	15.17	0.60	4.1%
Mobile Warden	7.00	7.70	0.70	10.0%
(long term aim to reach cost, increase capped at 10% per year)				
Lifeline - bronze	5.05	5.26	0.21	4.1%

## HRA - Fees and Charges 2022/23

Weekly Charge over 48 Weeks unless otherwise specified

September 2021 Consumer Price Index was 3.1%

	Current	Proposed	Change	Change
	£	£	£	%
Lifeline - gold	7.76	8.08	0.32	4.1%
Lifeline - RSL	4.84	5.03	0.20	4.1%
Buggy Parking (including charging facilities)	4.11	4.28	0.17	4.1%
Choice Based Lettings Postage (suggested cost is twice the cost of a second class stamp)	1.32	1.32	0.00	0.0%

### Note 1

**Special Services Charge** includes the heating, cleaning and furnishing of communal areas, provision of laundry and kitchen facilities and other costs. The charge is a contribution to the full cost of these services. This charge is added to the rent amount and is covered by housing benefit if appropriate.

**The Heating Charge is split into two separate charges.**

### Note 2

**Heating Service Charge** is the cost for the provision and maintenance of a communal heating system. This includes an allowance for electricity to circulate heat within the system. This charge is added to the rent amount and is covered by housing benefit if appropriate.

### Note 3

**The Heating Charge** reflects the cost of fuel only, this is not covered by housing benefit and is charged and monitored to a sub account on the main rent account.

This split is intended to make it easier to understand how we charge for heating.



## APPENDIX 4

### CAPITAL PROGRAMME SUMMARY

	Revised Budget 2021/22 £	Original Programme 2022/23 £	Forecast Programme 2023/24 £	Forecast Programme 2024/25 £	Forecast Programme 2025/26 £
<b>General Fund</b>					
<b>Asset Management Plan</b>					
Investment Properties	4,799	0	0	0	0
Leisure Buildings	30,359	0	0	0	0
Pleasley Vale Business Park	105,078	0	0	0	0
Riverside Depot	7,159	0	0	0	0
The Arc	103,774	0	0	0	0
The Tangent	15,000	0	0	0	0
Asset Management Plan not yet allocated to an individual scheme	78,531	260,000	260,000	260,000	260,000
	<b>344,700</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
<b>Engineering Asset Management Plan</b>					
Car Parks	25,000	25,000	25,000	25,000	25,000
Shelters	10,000	10,000	10,000	10,000	10,000
Lighting	15,000	15,000	15,000	15,000	15,000
Church yards	16,758	0	0	0	0
	<b>66,758</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Assets</b>					
Car Parking at Clowne	13,416	0	0	0	0
Pleasley Vale Mill - Dam Wall	3,796	96,614	0	0	0
Electric Charging Points	27,828	0	0	0	0
Commercial Buildings on Portland St	120,000	0	0	0	0
Shirebrook Crematorium	242,000	0	0	0	0
	<b>407,040</b>	<b>96,614</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ICT Schemes</b>					
ICT infrastructure	217,333	198,000	156,000	122,000	52,000
	<b>217,333</b>	<b>198,000</b>	<b>156,000</b>	<b>122,000</b>	<b>52,000</b>
<b>Leisure Schemes</b>					
Playing Pitch Improvements (Clowne)	762,500	0	0	0	0
Go Active Café Equipment	0	25,000	0	0	0
Gym Equipment & Spin Bikes	392,100	0	0	0	0
Go Active Equipment	15,000	15,000	15,000	15,000	15,000
Go Active Gym Flooring	40,000	0	0	0	0
Toning Tables	80,000	0	0	0	0
	<b>1,289,600</b>	<b>40,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Private Sector Schemes</b>					
Disabled Facility Grants	500,000	500,000	500,000	500,000	500,000
	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Financial Schemes</b>					
Economic Loan Fund - Capital	10,000	0	0	0	0
	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Joint Venture</b>					
Dragonfly Joint Venture Shares	519,150	0	0	0	0
Dragonfly Joint Venture Loan	1,753,202	0	0	0	0
	<b>2,272,352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Vehicles and Plant</b>					
Vehicle Replacements	1,222,256	766,000	1,578,000	84,000	64,000
Vehicle Wash Area	1,000	0	0	0	0
Can Rangers Equipment	14,231	0	0	0	0
	<b>1,237,487</b>	<b>766,000</b>	<b>1,578,000</b>	<b>84,000</b>	<b>64,000</b>
<b>Total General Fund</b>	<b>6,345,270</b>	<b>1,910,614</b>	<b>2,559,000</b>	<b>1,031,000</b>	<b>941,000</b>

## APPENDIX 4

### CAPITAL PROGRAMME SUMMARY

	Revised Budget 2021/22 £	Original Programme 2022/23 £	Forecast Programme 2023/24 £	Forecast Programme 2024/25 £	Forecast Programme 2025/26 £
<b>Housing Revenue Account</b>					
<b>New Build Properties</b>					
Avant Creswell	583,736	0	0	0	0
Ashbourne Extension	100,000	1,000,000	0	0	0
Bolsover Homes-yet to be allocated	1,500,000	3,325,000	8,700,000	8,500,000	0
Jubilee Court (2 Bungalows)	0	0	300,000	0	0
Keepmoat Properties at Bolsover	194,267	0	0	0	0
Langwith/Shirebrook Architects	90,000	0	0	0	0
Sandy Lane/Thorpe Ave Whitwell	3,226,650	0	0	0	0
The Whitwell Cluster	1,456,998	0	0	0	0
The Woodlands	0	3,000,000	0	0	0
Valley View (2 Bungalows & extension)	0	750,000	0	0	0
West Street Langwith	40,540	800,000	0	0	0
Harlesthorne Ave Bungalow adaptation	0	125,000	0	0	0
	<b>7,192,191</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>8,500,000</b>	<b>0</b>
<b>Vehicle Replacements</b>	288,000	351,000	432,000	159,000	0
	<b>288,000</b>	<b>351,000</b>	<b>432,000</b>	<b>159,000</b>	<b>0</b>
<b>Public Sector Housing</b>					
Bramley Vale	50,000	0	1,500,000	0	0
Electrical Upgrades	125,000	125,000	125,000	0	0
Environmental Works	85,976	50,000	50,000	0	0
External Door Replacements	128,741	20,000	20,000	0	0
External Wall Insulation	1,954,000	400,000	0	0	0
Fencing	0	70,000	0	0	0
Flat Roofing	40,000	40,000	40,000	0	0
Heating Upgrades	120,000	0	0	0	0
House Fire Damage	109,723	0	0	0	0
Kitchen Replacements	200,000	200,000	200,000	0	0
Public Sec Housing - not yet allocated	332,000	0	1,190,000	5,284,318	5,281,956
Re Roofing	1,000,000	750,000	750,000	0	0
Regeneration Mgmt. & Admin	94,888	97,810	100,070	102,382	104,744
Safe & Warm	2,066,664	2,400,000	750,000	0	0
Soffit and Facia	30,000	30,000	30,000	0	0
Unforeseen Reactive Capital Works	137,827	217,190	231,630	0	0
Welfare Adaptations	415,425	400,000	400,000	0	0
Wet Rooms (Bungalows)	0	200,000	0	0	0
	<b>6,890,244</b>	<b>5,000,000</b>	<b>5,386,700</b>	<b>5,386,700</b>	<b>5,386,700</b>
<b>ICT Schemes</b>					
Careline Upgrade	46,000	0	0	0	0
Rent Arrears Management System	0	50,000	0	0	0
Open Housing	118,233	50,000	0	0	0
	<b>164,233</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Bolsover Scheme (inc HLF)</b>					
New Bolsover-Regeneration Scheme	1,478,696	0	0	0	0
	<b>1,478,696</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total HRA</b>	<b>16,013,364</b>	<b>14,451,000</b>	<b>14,818,700</b>	<b>14,045,700</b>	<b>5,386,700</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>22,358,634</b>	<b>16,361,614</b>	<b>17,377,700</b>	<b>15,076,700</b>	<b>6,327,700</b>

## APPENDIX 4

### CAPITAL PROGRAMME SUMMARY

	Revised Budget 2021/22 £	Original Programme 2022/23 £	Forecast Programme 2023/24 £	Forecast Programme 2024/25 £	Forecast Programme 2025/26 £
<b>Capital Financing</b>					
<b>General Fund</b>					
Better Care Fund	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Reserves	(5,230,400)	(964,000)	(1,734,000)	(206,000)	(116,000)
Capital Receipts	0	(446,614)	(325,000)	(325,000)	(325,000)
External Funding	(614,870)	0	0	0	0
	<b>(6,345,270)</b>	<b>(1,910,614)</b>	<b>(2,559,000)</b>	<b>(1,031,000)</b>	<b>(941,000)</b>
<b>HRA</b>					
Major Repairs Allowance	(6,229,217)	(5,000,000)	(5,386,700)	(5,386,700)	(5,386,700)
Prudential Borrowing	(1,155,885)	(1,248,882)	(9,000,000)	(8,500,000)	0
Vehicle Reserve	(452,233)	(451,000)	(432,000)	(159,000)	0
Development Reserve	(1,608,615)	0	0	0	0
Bolsover Homes Capital Reserve	(4,331,107)	(7,751,118)	0	0	0
Capital Receipts	(670,501)	0	0	0	0
External Funding	(1,565,806)	0	0	0	0
	<b>(16,013,364)</b>	<b>(14,451,000)</b>	<b>(14,818,700)</b>	<b>(14,045,700)</b>	<b>(5,386,700)</b>
<b>TOTAL CAPITAL FINANCING</b>	<b>(22,358,634)</b>	<b>(16,361,614)</b>	<b>(17,377,700)</b>	<b>(15,076,700)</b>	<b>(6,327,700)</b>

**Bolsover District Council**

**Council**

**2 February 2022**

**TREASURY STRATEGY REPORTS**  
**2022/23 – 2025/26**

**Report of the Portfolio Holder for Finance**

**Classification:** This report is public

**Report By:** Assistant Director of Finance and Resources

**Contact Officer:** Theresa Fletcher – 01246 242458  
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**PURPOSE / SUMMARY**

To provide Council with the necessary information to approve the Authority's suite of Treasury Strategies for 2022/23 to 2025/26.

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**REPORT DETAILS**

**1 Background**

- 1.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.2 CIPFA issued a revised Prudential Code and Treasury Management Code in late December 2021. Due to the lateness the Codes were released, CIPFA are allowing a 'soft launch' of the Codes. This means the 2022/23 strategies are not based on the new Codes but The Council needs to be aware of the principals in the revised Codes and ensure that we adhere to them in all our activities. The 2023/24 strategy reports will include the full implementation of the revised Codes.
- 1.3 From 2019/20, the CIPFA Code required that a Capital Strategy be produced alongside the Treasury Management Strategy. In addition, the 2018 Investment Guidance issued by the then Ministry of Housing, Communities and Local Government, required local authorities to produce a Corporate Investment Strategy. So from 2019/20 there has been a requirement to produce three separate treasury strategies.

- 1.4 As in previous years, the Authority's Treasury Management Strategy provides the framework for managing the Authority's cash flows, borrowing and investments, and the associated risks for the years 2022/23 to 2025/26. The Treasury Management Strategy sets out the parameters for all borrowing and lending as well as listing all approved borrowing and investment sources. Prudential indicators aimed at monitoring risk are also included. **(Appendix 1)**.
- 1.5 The Capital Strategy is intended to be a high level, concise overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of the Authority's services. The report also provides an overview of the associated risk, its management and the implications for future financial sustainability. The Capital Strategy sets out the capital expenditure plans for the period and how they will be financed. It also provides information of the minimum revenue provision, capital financing requirement and prudential indicators aimed at monitoring risk **(Appendix 2)**.
- 1.6 The Corporate Investment Strategy focuses on investments made for service purposes and commercial reasons, rather than those made for treasury management. Investments covered by this strategy include earning investment income through commercial investments or by supporting local services by lending to or buying shares in, other organisations **(Appendix 3)**.

## **2. Reasons for Recommendation**

- 2.1 This report outlines the Authority's proposed suite of Treasury Strategies for the period 2022/23 to 2025/26 for consideration and approval by Council. It contains:
- The Treasury Management Strategy which provides the framework for managing the Authority's cash flows, borrowing and investments for the period.
  - The Capital Strategy which is intended to provide a high level, concise overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of the Authority's services.
  - The Corporate Investment Strategy which focuses on investments made for service purposes and commercial reasons, rather than those made for treasury management.

The above strategies provide an approved framework within which the officers undertake the day to day capital and treasury activities.

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

- 3.1 Alternative options are considered throughout the report.

## RECOMMENDATIONS

1. It is recommended that Council approve the Treasury Management Strategy at **Appendix 1** and in particular:
  - a) Approve the Borrowing Strategy.
  - b) Approve the Treasury Management Investment Strategy.
  - c) Approve the use of the external treasury management advisors Counterparty Weekly List – or similar – to determine the latest assessment of the counterparties that meet the Authority's Criteria before any investment is undertaken.
  - d) Approve the Prudential Indicators.
2. It is recommended that 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 2022/23.
  - c) Approve the Prudential Indicators for 2022/23 detailed in the Capital Strategy, in particular:

Authorised Borrowing Limit	£127.888m
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Operational Boundary	£122.888m
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Capital Financing Requirement	£117.888m
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3. It is recommended that Council approve the Corporate Investment Strategy as set out in **Appendix 3**.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Finance

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## IMPLICATIONS

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**Finance and Risk:**            Yes ☒            No ☐

**Details:**

Financial implications are covered throughout this report.

On Behalf of the Section 151 Officer

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

**Details:**

As part of the requirements of the CIPFA Treasury Management Code of Practice the Authority is required to produce every year a Treasury Management Strategy and Capital Strategy which requires approval by full Council prior to the commencement of each financial year. This report is prepared in order to comply with these obligations.

There are no data protection implications arising directly from this report.

On Behalf of the Solicitor to the Council

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**Staffing:**    Yes ☐        No ☒

**Details:**

There are no human resource implications arising directly from 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>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <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>	All
<b>Consultation:</b> Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes  Details: Portfolio Holder

**Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.**

## DOCUMENT INFORMATION

Appendix No	Title
1	Treasury Management Strategy
2	Capital Strategy
3	Corporate Investment Strategy
<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 (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
None	



## **Bolsover District Council**

### **Treasury Management Strategy 2022/23 - 2025/26**

#### **1 Strategy Details**

- 1.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a Treasury Management Strategy before the start of each financial year. This strategy fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.2 The strategy outlines the Authority's Treasury Management Strategy for the years 2022/23 to 2025/26 for consideration and approval by Council.
- 1.3 Investments held for service purposes or for commercial profit are considered in a different strategy, the Corporate Investment Strategy.
- 1.4 A further strategy, the Capital Strategy, sets out the Authority's Capital Expenditure programme and Minimum Revenue Provision policy (MRP).

#### **Introduction**

- 1.5 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

#### **External Context**

- 1.6 **Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
- 1.7 The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain

the asset purchase programme. Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however due to the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

- 1.8 UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% year-on-year from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%. In October 2021, the headline 3-month average annual growth rates for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.
- 1.9 Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% quarter-on-quarter rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
- 1.10 GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% year-on-year in November, the fourth month of successive increases from July's 0.7% year-on-year. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.
- 1.11 The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continued to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

- 1.12 **Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
- 1.13 The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign rating as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
- 1.14 Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.
- 1.15 **Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.
- 1.16 Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.
- 1.17 A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix 1A**.
- 1.18 For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 0.25%.

## Local Context

1.19 On 31<sup>st</sup> December 2021, the Authority held £93.4m of borrowing and £44.9m of treasury investments. This is set out in further detail at **Appendix 1B**. Forecast changes in these sums are shown in the balance sheet analysis in **table 1** below.

**Table 1: Balance sheet summary and forecast**

	<b>31.3.21 Actual £m</b>	<b>31.3.22 Estimate £m</b>	<b>31.3.23 Forecast £m</b>	<b>31.3.24 Forecast £m</b>	<b>31.3.25 Forecast £m</b>	<b>31.3.26 Forecast £m</b>
General Fund CFR	7.5	6.7	6.3	5.9	5.7	5.5
HRA CFR	109.1	110.3	111.6	120.6	129.1	129.1
<b>Total CFR</b>	<b>116.6</b>	<b>117.0</b>	<b>117.9</b>	<b>126.5</b>	<b>134.8</b>	<b>134.6</b>
Less: Actual External borrowing *	(97.1)	(93.4)	(89.4)	(86.0)	(78.8)	(76.8)
Less: Approved External borrowing **	0	0	0	(9.0)	(17.5)	(17.5)
<b>Internal borrowing</b>	<b>19.5</b>	<b>23.6</b>	<b>28.5</b>	<b>31.5</b>	<b>38.5</b>	<b>40.3</b>
Less: Balance sheet resources	(50.4)	(50.4)	(50.4)	(50.4)	(50.4)	(50.4)
Less: Working Capital	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)
<b>Treasury Investments</b>	<b>38.0</b>	<b>33.9</b>	<b>29.0</b>	<b>26.0</b>	<b>19.0</b>	<b>17.2</b>

\* shows only loans to which the Authority is committed and excludes optional refinancing

\*\*shows loans which the Authority has approval to undertake to fund Bolsover Homes

1.20 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2022/23.

1.21 The Authority has a decreasing General Fund CFR due to the decision to use £3.937m of funding from the Transformation Reserve to finance the capital programme rather than use borrowing for the period 2020/21 to 2022/23 to make savings through reduced debt charges.

1.22 **Liability benchmark:** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as **table 1** above, but that cash

and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

**Table 2: Liability benchmark**

	<b>31.3.21 Actual £m</b>	<b>31.3.22 Estimate £m</b>	<b>31.3.23 Forecast £m</b>	<b>31.3.24 Forecast £m</b>	<b>31.3.25 Forecast £m</b>	<b>31.3.26 Forecast £m</b>
<b>CFR</b>	<b>116.6</b>	<b>117.0</b>	<b>117.9</b>	<b>126.5</b>	<b>134.8</b>	<b>134.6</b>
Less: Balance sheet resources & Working Capital	(57.5)	(57.5)	(57.5)	(57.5)	(57.5)	(57.5)
Net loans requirement	<b>59.1</b>	<b>59.5</b>	<b>60.4</b>	<b>69.0</b>	<b>77.3</b>	<b>77.1</b>
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0	10.0
<b>Liability Benchmark</b>	<b>69.1</b>	<b>69.5</b>	<b>70.4</b>	<b>79.0</b>	<b>87.3</b>	<b>87.1</b>

### **Borrowing Strategy**

1.23 The Authority currently holds £93.4m of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority may utilise the approval to undertake HRA borrowing during the period 2022/23 to 2025/26 to fund Bolsover Homes, as an alternative to the development reserve, as approved.

1.24 **Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

1.25 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

1.26 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

- 1.27 The Authority has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and may investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 1.28 Alternatively, the Authority may arrange forward starting loans during 2022/23, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.
- 1.29 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Derbyshire County Council Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 1.30 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
- 1.31 The Authority has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.
- 1.32 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate

payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.

- 1.33 **LOBOs:** The Authority doesn't hold or intend to hold any LOBO (Lender's Option Borrower's Option) loans.
- 1.34 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.
- 1.35 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Treasury Management Investment Strategy**

- 1.36 The Authority holds an average of £41m invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £35m and £45m, and similar levels are expected to be maintained in the forthcoming year.
- 1.37 **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 1.38 Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 1.39 **Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 1.40 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority may wish to diversify into more secure and higher yielding asset classes during 2022/23. This is especially the case for the estimated

£10m that is available for longer-term investment. The majority of the Authority's surplus cash is currently invested in short-term unsecured bank deposits, short term fixed deposits with local authorities and money market funds. This diversification would represent a substantial change in strategy.

**1.41 Business models:** Under IFRS 9, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**1.42 Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in **table 3** below, subject to the cash limits (per counterparty) and the time limits shown.

**Table 3: Approved investment counterparties and limits**

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£5m	Unlimited
Secured investments *	25 years	£5m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£5m per society
Registered providers (unsecured) *	5 years	£5m	£10m
Money market funds *	n/a	£5m	Unlimited
Strategic pooled funds	n/a	£5m	£10m per manager
Real estate investment trusts	n/a	£5m	£5m
Other investments *	5 years	£5m	£5m

**1.43 Minimum Credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**1.44 Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities, Parish Councils and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are



deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

- 1.45 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 1.46 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 1.47 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 1.48 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 1.49 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 1.50 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer

term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

- 1.51 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk
- 1.52 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £5m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 1.53 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 1.54 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 1.55 **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 1.56 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit

ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

- 1.57 **Investment limits:** In order to minimise investments that will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5m. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Table 4: Additional Investment limits**

	<b>Cash limit</b>
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per manager
Foreign countries (excluding MMF where there are no limits)	£10m per country
Lloyds Bank (as providers of operational banking services)	£5m overnight

- 1.58 **Liquidity management:** The Authority uses its own cash flow forecasting techniques to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast. The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider

### **Treasury Management Indicators**

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

- 1.60 **Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit each year
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£149,730
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	(£149,730)

- 1.61 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

- 1.62 **Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. This indicator used to be for fixed rate borrowing only but now includes all borrowing. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	20%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	80%	0%
10 years and above	100%	0%

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

- 1.64 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2022/23	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£5m	£4m	£3m	£2m

### **Related Matters**

- 1.65 The CIPFA Code requires the Authority to include the following in its treasury management strategy.
- 1.66 **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk

(e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

- 1.67 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 1.68 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit. In line with the CIPFA code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 1.69 **Housing Revenue Account:** The Authority completed the HRA self-financing settlement in March 2012 which resulted in an increase in housing debt of £94.386m. Interest payable and other costs/income arising from long-term loans which existed prior to this settlement (e.g. Premiums and discounts on early redemption) will be charged / credited to the respective revenue account based on the average CFR of the General Fund and HRA. Loans taken out as part of the self-financing settlement are assigned to the HRA loans pool and interest and other costs are payable from the HRA. Any new long-term loans borrowed will be assigned in their entirety to either the General Fund or HRA, there will be no single loans pool.
- 1.70 **Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.
- 1.71 **Financial Implications:** The budget for investment income in 2022/23 is £88,998, based on an average investment portfolio of £36 million at an interest rate of 0.25%. The budget for debt interest paid in 2022/23 is £3.2 million, based on an average debt portfolio of £116.3 million at an average interest rate of 2.81%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

**1.72 Other Options Considered:** The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

### **Appendix 1A – Arlingclose Economic & Interest Rate Forecast – December 2021**

#### **Underlying assumptions:**

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

#### **Forecast:**

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.

- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>3-month money market rate</b>													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
<b>5yr gilt yield</b>													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
<b>10yr gilt yield</b>													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
<b>20yr gilt yield</b>													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
<b>50yr gilt yield</b>													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%



Existing Investment & Debt Portfolio Position

	31.12.21 Actual Portfolio £m	31.12.21 Average Rate %
<b>External borrowing:</b>		
Public Works Loan Board	93.4	3.73%
<b>Total external borrowing</b>	<b>93.4</b>	<b>3.73%</b>
<b>Other long-term liabilities:</b>		
Finance Leases	0	0
<b>Total other long-term liabilities</b>	<b>0</b>	<b>0</b>
<b>Total gross external debt</b>	<b>93.4</b>	<b>3.73%</b>
<b>Treasury investments:</b>		
Banks & building societies (unsecured)	5.0	0.12%
Government (incl. local authorities)	15.4	0.34%
Money Market Funds	24.5	0.03%
<b>Total treasury investments</b>	<b>44.9</b>	<b>0.16%</b>
<b>Net debt</b>	<b>48.5</b>	

# **Bolsover District Council**

## **Capital Strategy 2022/23 - 2025/26**

### **1 Strategy Details**

- 1.1 The Capital Strategy was introduced by the 2017 edition of the Prudential Code and is intended to give a high level, concise and comprehensible overview to all elected members of how capital expenditure, capital financing and treasury management activity, contribute to the provision of the Authority's services. The strategy also provides an overview of the associated risk, its management and the implications for future financial sustainability.
- 1.2 This Capital Strategy outlines the Authority's Capital Expenditure programme and Minimum Revenue Provision policy (MRP) for the years 2022/23 to 2025/26 for consideration and approval by Council before the start of each financial year.
- 1.3 Investments held for service purposes or for commercial profit are considered in a different strategy, the Corporate Investment Strategy.
- 1.4 A further strategy, the Treasury Management Strategy, details the Authority's plans to invest cash surpluses and borrow to cover cash shortfalls.

### **Introduction**

- 1.5 This Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.6 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

### **Capital Expenditure and Financing**

- 1.7 Capital expenditure is where the Authority spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

In 2022/23, the Authority is planning capital expenditure of £16.362m as summarised below:

**Table 1: Prudential Indicator: Estimates of Capital Expenditure**

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
General Fund services	1.368	4.063	1.911	2.559	1.031	0.941
Council housing (HRA)	10.286	16.014	14.451	14.819	14.046	5.387
Capital investments	0	2.282	0	0	0	0
<b>TOTAL</b>	11.654	22.359	16.362	17.378	15.077	6.328

- 1.8 The main General Fund capital projects for 2022/23 include Grants for Disabled Facilities £0.500m and the purchase of Vehicles and Plant £0.766m.
- 1.9 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.
- 1.10 Capital investments include loans and shares made for service purposes and property to be held primarily for financial return in line with the definition in the *CIPFA Treasury Management Code*.
- 1.11 **Governance:** Projects are included in the Authority's capital programme usually as a result of a committee report throughout the year. The vehicle replacement programme is updated each year and the new requirements are included in the revised capital programme. The final capital programme is then presented to Executive and Council in February each year.
- For full details of the Authority's capital programme see **Appendix 2A** to this strategy.
- 1.12 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is as follows:

**Table 2: Capital financing**

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
External sources (Better Care Fund for 22/23 onwards)	0.757	2.681	0.500	0.500	0.500	0.500
Own resources	8.921	18.522	14.613	7.878	6.077	5.828
Debt	1.976	1.156	1.249	9.000	8.500	0
<b>TOTAL</b>	11.654	22.359	16.362	17.378	15.077	6.328

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

**Table 3: Replacement of prior years' debt finance**

	<b>2020/21 actual £m</b>	<b>2021/22 forecast £m</b>	<b>2022/23 budget £m</b>	<b>2023/24 budget £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
MRP	0.700	0.705	0.443	0.365	0.218	0.212
Capital receipts	0	0	0	0	0	0
<b>TOTAL</b>	<b>0.700</b>	<b>0.705</b>	<b>0.443</b>	<b>0.365</b>	<b>0.218</b>	<b>0.212</b>

- The Authority's full minimum revenue provision statement is **Appendix 2B** to this strategy.

- 1.14 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to decrease by £0.443m during 2022/23. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

**Table 4: Prudential Indicator: Estimates of Capital Financing Requirement**

	<b>31.3.2021 actual £m</b>	<b>31.3.2022 forecast £m</b>	<b>31.3.2023 budget £m</b>	<b>31.3.2024 budget £m</b>	<b>31.3.2025 budget £m</b>	<b>31.3.2026 budget £m</b>
General Fund services	7.428	6.742	6.300	5.934	5.717	5.505
Council housing (HRA)	109.136	110.339	111.588	120.588	129.088	129.088
Capital investments	0	0	0	0	0	0
<b>TOTAL CFR</b>	<b>116.564</b>	<b>117.081</b>	<b>117.888</b>	<b>126.522</b>	<b>134.805</b>	<b>134.593</b>

- 1.15 **Asset management:** To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. The Authority developed this strategy to set the context for the Corporate Asset Management Plan. The purpose of the plan is to manage the Authority's corporate property and land portfolio effectively by providing buildings that meet the needs of the service, which are fit for purpose, sustainable, allow access for all, underpin corporate priorities and provide value for money

- The Authority's asset management strategy can be found on the data transparency area of our website, [www.bolsover.gov.uk](http://www.bolsover.gov.uk)

- 1.16 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Authority has produced a Disposal and Acquisition Policy which documents the method and approval route for the disposal of an asset. The Authority has not identified any specific sites for disposal and does not set budgets for receipts due to the uncertain nature of disposals, but a target to receive £150,000 of capital receipts in the coming financial year has been set as follows:

**Table 5: Capital receipts**

	2020/21 actual £m	2021/22 forecast £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Asset sales	0.197	0.800	0.150	0.150	0.150	0.150

### **Treasury Management**

- 1.17 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 1.18 Due to decisions taken in the past, the Authority currently has £93.4m borrowing at an average interest rate of 3.73% and £44.9m treasury investments at an average rate of 0.16%.
- 1.19 **Borrowing strategy:** The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).
- 1.20 Projected levels of the Authority's total outstanding debt are shown below, compared with the capital financing requirement (shown in table 4).

**Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement**

	<b>31.3.2021 actual £m</b>	<b>31.3.2022 forecast £m</b>	<b>31.3.2023 budget £m</b>	<b>31.3.2024 budget £m</b>	<b>31.3.2025 budget £m</b>	<b>31.3.2026 budget £m</b>
Debt	97.706	94.291	90.291	86.891	79.691	77.691
Capital Financing Requirement	116.564	117.081	117.888	126.522	134.805	134.593

1.21 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from **table 6**, the Authority expects to comply with this in the medium term.

1.22 **Liability benchmark:** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end. This benchmark was £69.1m at 31.3.21 and is forecast to increase to £87.1m over the next four years. The table below shows that the Authority expects to remain borrowed above its liability benchmark.

**Table 7: Borrowing and the Liability Benchmark**

	<b>31.3.2021 actual £m</b>	<b>31.3.2022 forecast £m</b>	<b>31.3.2023 budget £m</b>	<b>31.3.2024 budget £m</b>	<b>31.3.2025 budget £m</b>	<b>31.3.2026 budget £m</b>
Actual Outstanding PWLB borrowing	97.1	93.4	89.4	86.0	78.8	76.8
Approved External borrowing	0	0	0	9.0	17.5	17.5
Total predicted External Borrowing	<b>97.1</b>	<b>93.4</b>	<b>89.4</b>	<b>95.0</b>	<b>96.3</b>	<b>94.3</b>
Liability benchmark	<b>69.1</b>	<b>69.5</b>	<b>70.4</b>	<b>79.0</b>	<b>87.3</b>	<b>87.1</b>

1.23 **Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

**Table 8:** Prudential Indicators: Authorised limit and operational boundary for external debt

	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m
Authorised limit	127.081	127.888	136.522	144.805	144.593
Operational boundary	122.081	122.888	131.522	139.805	139.593

- Further details on borrowing are in paragraphs 1.23 to 1.35 of the Treasury Management Strategy.

1.24 **Corporate Treasury Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

1.25 The Authority's policy on treasury investments is to prioritise security and liquidity over yield. That is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

**Table 9:** Treasury management investments

	31.3.2021 actual £m	31.3.2022 forecast £m	31.3.2023 budget £m	31.3.2024 budget £m	31.3.2025 budget £m	31.3.2026 budget £m
Near-term investments	38.0	33.9	29.0	26.0	18.7	17.2
Longer-term investments	0	0	0	0	0	0
<b>TOTAL</b>	<b>38.0</b>	<b>33.9</b>	<b>29.0</b>	<b>26.0</b>	<b>18.7</b>	<b>17.2</b>

Further details on treasury investments are in paragraphs 1.36 to 1.58 of the Treasury Management Strategy.

1.26 **Risk management:** The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks. The treasury management prudential indicators are on pages 11 and 12 of the treasury management strategy

1.27 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Financial Officer and staff, who

must act in line with the Treasury Management Strategy approved by Council. Quarterly reports on treasury management activity are presented to Executive. The Audit and Corporate Overview Scrutiny committee is responsible for scrutinising treasury management decisions.

### **Investments for Service Purposes**

- 1.28 The Authority makes investments to assist local public services, including making loans to parish/town councils or local community organisations to promote economic growth. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to at least break even after all costs.
- 1.29 **Governance:** Decisions on service investments are made by the relevant service manager and submitted to Council/Executive in consultation with the Chief Financial Officer and must meet the criteria and limits laid down in the Corporate Investment Strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.
- Further details on service investments are in paragraphs 1.10 to 1.18 of the Corporate Investment strategy.

### **Commercial Activities**

- 1.30 With central government financial support for local public services declining, the Authority has developed a Commercial Property Investment Strategy based around expanding its existing non-housing property portfolio. This is in order to develop revenue streams that provide a required level of return to offset the forecast budget deficits for forthcoming years. This approach can also support economic development and regeneration in the District through targeted investment.
- 1.31 With financial return being the main objective, the Authority accepts higher risk on commercial investment than with treasury investments. The financial viability of each individual potential investment opportunity will be fully assessed within a comprehensive business case. This is in order to reflect the potential risk that may arise as a consequence of undertaking commercial property investment and provide a sufficient financial contribution to the Authority's General Fund. A minimum Internal Rate of Return (IRR) will be set in the Commercial Property Investment Strategy.
- 1.32 **Governance:** It is acknowledged that commercial investment opportunities may require agile and quick decision making. However, in order to ensure appropriate governance arrangements are maintained, investment decisions will be made in accordance with the Authority's existing decision making process, threshold levels and Scheme of Delegation contained within the Authority's Constitution. Where it is not possible to wait until the next Executive and/or Council meeting, an extra-ordinary meeting will be arranged as soon as practicably possible.
- Further details on commercial investments and limits on their use are in paragraphs 1.19 to 1.23 of the Corporate Investment Strategy.
  - Further details on the risk management of commercial investments are in the Commercial Property Investment Strategy



## **Liabilities**

- 1.33 In addition to debt of £90.291m detailed above, the Authority is committed to making future payments to cover its net pension fund deficit (valued at £55.2m). It has also set aside £1.7m to cover risks of future legal costs and Business Rates Appeals. (All figures are as at 31/3/21).
- 1.34 **Governance:** Decisions on incurring new discretionary liabilities are taken to Council for approval. The risk of liabilities crystallising and requiring payment is monitored as part of the year-end process.
- Further details on liabilities are in notes 21 and 38 of the 2020/21 Statement of Accounts document, which is available on our website.

## **Revenue Budget Implications**

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

**Table 10:** Prudential Indicator: Proportion of financing costs to net revenue stream

	<b>2020/21 actual</b>	<b>2021/22 forecast</b>	<b>2022/23 budget</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>
Financing costs (£m)	0.764	0.877	0.465	0.375	0.190	0.147
Proportion of net revenue stream	5.59%	6.91%	3.08%	3.39%	1.67%	1.15%

- 1.36 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Chief Financial Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.

## **Knowledge and Skills**

- 1.37 The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Financial Officer is a qualified accountant, the Executive Director of Strategy and Development is a member of the Chartered Institute of Building (MCIOB).
- 1.38 Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisors. This approach is more cost effective than employing such staff directly, and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

## **Treasury Management Operations**

- 1.39 As mentioned above the Authority uses external treasury management advisors. The company provides a range of services which include:
- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
  - Economic and interest rate analysis;
  - Debt services which includes advice on the timing of borrowing;
  - Debt rescheduling advice surrounding the existing portfolio;
  - Generic investment advice on interest rates, timing and investment instruments;
  - A number of free places at training events offered on a regular basis.
  - Credit ratings/market information service, comprising the three main credit rating agencies;
- 1.40 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Authority. This service is subject to regular review. It should be noted that the Authority has Arlingclose Ltd as external treasury management advisors until 22<sup>nd</sup> August 2022.
- 1.41 It is important that both Members and Officers dealing with treasury management are trained and kept up to date with current developments. This Authority has addressed these requirements by:
- a. Members' individual training and development needs are addressed by a Member Development Programme.
  - b. Officers attend training seminars held by the external treasury management advisors and CIPFA.

## **Banking Contract**

- 1.42 The contract with the Authority's banking provider Lloyds Bank, has been reviewed and extended to 9<sup>th</sup> February 2025.

## APPENDIX 2A

### CAPITAL PROGRAMME SUMMARY

	Revised Budget 2021/22 £	Original Programme 2022/23 £	Forecast Programme 2023/24 £	Forecast Programme 2024/25 £	Forecast Programme 2025/26 £
<b>General Fund</b>					
<b>Asset Management Plan</b>					
Investment Properties	4,799	0	0	0	0
Leisure Buildings	30,359	0	0	0	0
Pleasley Vale Business Park	105,078	0	0	0	0
Riverside Depot	7,159	0	0	0	0
The Arc	103,774	0	0	0	0
The Tangent	15,000	0	0	0	0
Asset Management Plan not yet allocated to an individual scheme	78,531	260,000	260,000	260,000	260,000
	<b>344,700</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
<b>Engineering Asset Management Plan</b>					
Car Parks	25,000	25,000	25,000	25,000	25,000
Shelters	10,000	10,000	10,000	10,000	10,000
Lighting	15,000	15,000	15,000	15,000	15,000
Church yards	16,758	0	0	0	0
	<b>66,758</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Assets</b>					
Car Parking at Clowne	13,416	0	0	0	0
Pleasley Vale Mill - Dam Wall	3,796	96,614	0	0	0
Electric Charging Points	27,828	0	0	0	0
Commercial Buildings on Portland St	120,000	0	0	0	0
Shirebrook Crematorium	242,000	0	0	0	0
	<b>407,040</b>	<b>96,614</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ICT Schemes</b>					
ICT infrastructure	217,333	198,000	156,000	122,000	52,000
	<b>217,333</b>	<b>198,000</b>	<b>156,000</b>	<b>122,000</b>	<b>52,000</b>
<b>Leisure Schemes</b>					
Playing Pitch Improvements (Clowne)	762,500	0	0	0	0
Go Active Café Equipment	0	25,000	0	0	0
Gym Equipment & Spin Bikes	392,100	0	0	0	0
Go Active Equipment	15,000	15,000	15,000	15,000	15,000
Go Active Gym Flooring	40,000	0	0	0	0
Toning Tables	80,000	0	0	0	0
	<b>1,289,600</b>	<b>40,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Private Sector Schemes</b>					
Disabled Facility Grants	500,000	500,000	500,000	500,000	500,000
	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Financial Schemes</b>					
Economic Loan Fund - Capital	10,000	0	0	0	0
	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Joint Venture</b>					
Dragonfly Joint Venture Shares	519,150	0	0	0	0
Dragonfly Joint Venture Loan	1,753,202	0	0	0	0
	<b>2,272,352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Vehicles and Plant</b>					
Vehicle Replacements	1,222,256	766,000	1,578,000	84,000	64,000
Vehicle Wash Area	1,000	0	0	0	0
Can Rangers Equipment	14,231	0	0	0	0
	<b>1,237,487</b>	<b>766,000</b>	<b>1,578,000</b>	<b>84,000</b>	<b>64,000</b>
<b>Total General Fund</b>	<b>6,345,270</b>	<b>1,910,614</b>	<b>2,559,000</b>	<b>1,031,000</b>	<b>941,000</b>

## APPENDIX 2A

### CAPITAL PROGRAMME SUMMARY

	Revised Budget 2021/22 £	Original Programme 2022/23 £	Forecast Programme 2023/24 £	Forecast Programme 2024/25 £	Forecast Programme 2025/26 £
<b>Housing Revenue Account</b>					
<b>New Build Properties</b>					
Avant Creswell	583,736	0	0	0	0
Ashbourne Extension	100,000	1,000,000	0	0	0
Bolsover Homes-yet to be allocated	1,500,000	3,325,000	8,700,000	8,500,000	0
Jubilee Court (2 Bungalows)	0	0	300,000	0	0
Keepmoat Properties at Bolsover	194,267	0	0	0	0
Langwith/Shirebrook Architects	90,000	0	0	0	0
Sandy Lane/Thorpe Ave Whitwell	3,226,650	0	0	0	0
The Whitwell Cluster	1,456,998	0	0	0	0
The Woodlands	0	3,000,000	0	0	0
Valley View (2 Bungalows & extension)	0	750,000	0	0	0
West Street Langwith	40,540	800,000	0	0	0
Harlesthorne Ave Bungalow adaptation	0	125,000	0	0	0
	<b>7,192,191</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>8,500,000</b>	<b>0</b>
<b>Vehicle Replacements</b>	288,000	351,000	432,000	159,000	0
	<b>288,000</b>	<b>351,000</b>	<b>432,000</b>	<b>159,000</b>	<b>0</b>
<b>Public Sector Housing</b>					
Bramley Vale	50,000	0	1,500,000	0	0
Electrical Upgrades	125,000	125,000	125,000	0	0
Environmental Works	85,976	50,000	50,000	0	0
External Door Replacements	128,741	20,000	20,000	0	0
External Wall Insulation	1,954,000	400,000	0	0	0
Fencing	0	70,000	0	0	0
Flat Roofing	40,000	40,000	40,000	0	0
Heating Upgrades	120,000	0	0	0	0
House Fire Damage	109,723	0	0	0	0
Kitchen Replacements	200,000	200,000	200,000	0	0
Public Sec Housing - not yet allocated	332,000	0	1,190,000	5,284,318	5,281,956
Re Roofing	1,000,000	750,000	750,000	0	0
Regeneration Mgmt. & Admin	94,888	97,810	100,070	102,382	104,744
Safe & Warm	2,066,664	2,400,000	750,000	0	0
Soffit and Facia	30,000	30,000	30,000	0	0
Unforeseen Reactive Capital Works	137,827	217,190	231,630	0	0
Welfare Adaptations	415,425	400,000	400,000	0	0
Wet Rooms (Bungalows)	0	200,000	0	0	0
	<b>6,890,244</b>	<b>5,000,000</b>	<b>5,386,700</b>	<b>5,386,700</b>	<b>5,386,700</b>
<b>ICT Schemes</b>					
Careline Upgrade	46,000	0	0	0	0
Rent Arrears Management System	0	50,000	0	0	0
Open Housing	118,233	50,000	0	0	0
	<b>164,233</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Bolsover Scheme (inc HLF)</b>					
New Bolsover-Regeneration Scheme	1,478,696	0	0	0	0
	<b>1,478,696</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total HRA</b>	<b>16,013,364</b>	<b>14,451,000</b>	<b>14,818,700</b>	<b>14,045,700</b>	<b>5,386,700</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>22,358,634</b>	<b>16,361,614</b>	<b>17,377,700</b>	<b>15,076,700</b>	<b>6,327,700</b>

## APPENDIX 2A

### CAPITAL PROGRAMME SUMMARY

	Revised Budget 2021/22 £	Original Programme 2022/23 £	Forecast Programme 2023/24 £	Forecast Programme 2024/25 £	Forecast Programme 2025/26 £
<b>Capital Financing</b>					
<b>General Fund</b>					
Better Care Fund	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Reserves	(5,230,400)	(964,000)	(1,734,000)	(206,000)	(116,000)
Capital Receipts	0	(446,614)	(325,000)	(325,000)	(325,000)
External Funding	(614,870)	0	0	0	0
	<b>(6,345,270)</b>	<b>(1,910,614)</b>	<b>(2,559,000)</b>	<b>(1,031,000)</b>	<b>(941,000)</b>
<b>HRA</b>					
Major Repairs Allowance	(6,229,217)	(5,000,000)	(5,386,700)	(5,386,700)	(5,386,700)
Prudential Borrowing	(1,155,885)	(1,248,882)	(9,000,000)	(8,500,000)	0
Vehicle Reserve	(452,233)	(451,000)	(432,000)	(159,000)	0
Development Reserve	(1,608,615)	0	0	0	0
Bolsover Homes Capital Reserve	(4,331,107)	(7,751,118)	0	0	0
Capital Receipts	(670,501)	0	0	0	0
External Funding	(1,565,806)	0	0	0	0
	<b>(16,013,364)</b>	<b>(14,451,000)</b>	<b>(14,818,700)</b>	<b>(14,045,700)</b>	<b>(5,386,700)</b>
<b>TOTAL CAPITAL FINANCING</b>	<b>(22,358,634)</b>	<b>(16,361,614)</b>	<b>(17,377,700)</b>	<b>(15,076,700)</b>	<b>(6,327,700)</b>

### Capital Reserves

#### Major Repairs Reserve

Opening Balance	(1,334,019)	(491,502)	(491,502)	(491,502)	(491,502)
Amount due in Year	(5,386,700)	(5,000,000)	(5,386,700)	(5,386,700)	(5,386,700)
Amount used in Year	6,229,217	5,000,000	5,386,700	5,386,700	5,386,700
<b>Closing Balance</b>	<b>(491,502)</b>	<b>(491,502)</b>	<b>(491,502)</b>	<b>(491,502)</b>	<b>(491,502)</b>

#### HRA Development Reserve

Opening Balance	(2,503,941)	(1,095,326)	(1,545,326)	(2,045,326)	(2,895,326)
Amount due in Year	(200,000)	(450,000)	(500,000)	(850,000)	(850,000)
Amount used in Year	1,608,615	0	0	0	0
<b>Closing Balance</b>	<b>(1,095,326)</b>	<b>(1,545,326)</b>	<b>(2,045,326)</b>	<b>(2,895,326)</b>	<b>(3,745,326)</b>

#### HRA Vehicle Reserve

Opening Balance	(596,065)	(323,832)	(168,832)	(88,832)	(205,832)
Amount due in Year	(180,000)	(296,000)	(352,000)	(276,000)	(288,000)
Amount used in Year	452,233	451,000	432,000	159,000	0
<b>Closing Balance</b>	<b>(323,832)</b>	<b>(168,832)</b>	<b>(88,832)</b>	<b>(205,832)</b>	<b>(493,832)</b>

#### 1-4-1 Capital Receipts Reserve

Opening Balance	(519,589)	(49,088)	(249,088)	(449,088)	(649,088)
Amount due in Year	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Amount used in Year	670,501	0	0	0	0
<b>Closing Balance</b>	<b>(49,088)</b>	<b>(249,088)</b>	<b>(449,088)</b>	<b>(649,088)</b>	<b>(849,088)</b>

### Annual Minimum Revenue Provision Statement 2022/23

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry for Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance:

For capital expenditure incurred before 1 April 2008 the Minimum Revenue Provision policy will be:

- **Historic Debt** - MRP will follow the existing practice outlined in former MHCLG Regulations (Option 1) - capital financing requirement minus "adjustment A" multiplied by 4%.

From 1 April 2008 for all capital expenditure funded by borrowing the Minimum Revenue Provision policy will be:

- **Asset Life Method** - MRP will be based on the estimated useful life of the asset starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.

No MRP will be charged in respect of assets held within the Housing Revenue Account.

The charge to revenue for MRP is not made until the year after which the capital expenditure is incurred.

In 2019/20 the Authority took steps to reduce the amount of MRP charged by swapping the financing of the capital programme from borrowing to the use of reserves. No new general fund borrowing costs are planned to be incurred.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31<sup>st</sup> March 2022, the budget for MRP for borrowing incurred in previous years' has been set as follows:

	<b>31.03.2022 Estimated CFR £m</b>	<b>2022/23 Estimated MRP £</b>
Capital expenditure before 01.04.2008	0.153	0.148
Unsupported capital expenditure incurred 31.03.2008 – 31.03.2019	0.552	0.295
Finance leases	0	0
<b>Total General Fund</b>	<b>0.705</b>	<b>0.443</b>
Assets in the Housing Revenue Account	0	0
HRA subsidy reform payment	0	0
<b>Total Housing Revenue Account</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0.705</b>	<b>0.443</b>

# Bolsover District Council

## Corporate Investment Strategy 2022/23 - 2025/26

### 1 Strategy Details

- 1.1 The Corporate Investment Strategy was introduced by the 2018 edition of the government's Guidance on Local Government Investments. It focuses on investments made for service purposes and commercial reasons, rather than those made for treasury management.
- 1.2 This strategy outlines the Authority's Corporate Investment Strategy for the years 2022/23 to 2025/26 for consideration and approval by Council before the start of each financial year.
- 1.3 The Authority's Capital Expenditure programme and Minimum Revenue Provision policy (MRP) are considered in a different strategy, the Capital Strategy.
- 1.4 A further strategy, the Treasury Management Strategy, details the Authority's plans to invest cash surpluses and borrow to cover cash shortfalls.

### Introduction

- 1.5 The Authority invests its money for three broad purposes:
  - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
  - to support local public services by lending to or buying shares in other organisations (**service investments**), and
  - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.6 This Corporate Investment Strategy meets the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

### Treasury Management Investments

- 1.7 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £35m and £45m during the 2022/23 financial year.



- 1.8 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 1.9 **Further details:** Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the Treasury Management Strategy.

### **Service Investments: Loans**

- 1.10 **Contribution:** The Authority lends money to its joint ventures, business partners, parish/town councils, local charities, housing associations, and community groups to support local public services and stimulate local economic growth. For example we may give a loan to a parish council who are undertaking a large building project to help with cash flow until external monies are received.
- 1.11 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

**Table 1: Loans for service purposes**

Category of borrower	31.3.2021 actual			2022/23
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Joint Ventures - Dragonfly	£0.867m	0	£0.867m	£6m
Business Partners	0	0	0	£5m
Parish / Town Councils	0	0	0	£5m
Local charities	0	0	0	£5m
Housing associations	0	0	0	£5m
Community Groups	0	0	0	£5m
<b>TOTAL</b>	<b>£0.987m</b>	<b>0</b>	<b>£0.987m</b>	

- 1.12 Accounting standards require the Authority to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 1.13 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by undertaking a comprehensive business case for each individual potential investment opportunity. This will include a market analysis focusing on competition, demand and current market trends. External advisors will be used where appropriate to ensure that the Authority has access to quality advice and

expertise in specialist areas. Each potential investment will undergo qualitative and quantitative appraisal to establish its suitability to the Authority's core values and the legal and financial implications of the purchase.

### **Service Investments: Shares**

- 1.14 **Contribution:** The Authority invests in the shares of its Joint Venture, Dragonfly Development Limited to support local public services and stimulate local economic growth by delivering housing and commercial developments whilst generating income for the Authority.
- 1.15 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

**Table 2: Shares held for service purposes**

Category of company	31.3.2021 actual			2022/23
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Joint Venture - Dragonfly	£0.108m	0	£0.108m	£1.000m
<b>TOTAL</b>	<b>£0.122m</b>	<b>0</b>	<b>£0.122m</b>	<b>£1.000m</b>

- 1.16 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding shares by undertaking a comprehensive business case for each individual potential investment opportunity. This will include a market analysis focusing on competition, demand and current market trends. External advisors will be used where appropriate to ensure that the Authority has access to quality advice and expertise in specialist areas. Each potential investment will undergo qualitative and quantitative appraisal to establish its suitability to the Authority's core values and the legal and financial implications of the purchase.
- 1.17 **Liquidity:** Based on the approved limit in Table 2 the funds will not be required in the short term and may prudently be committed for the periods covered by this strategy.
- 1.18 **Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

### **Commercial Investments: Property**

- 1.19 **Contribution:** The Authority's current investment in commercial property is characterised by the larger investments, Pleasley Vale Mills and The Tangent Business Hub which are aimed to provide appropriate commercial accommodation to support local small businesses to develop and grow. The Authority has developed a Commercial Property Investment Strategy which looks to expand its existing non-housing property portfolio with the intention of making a profit wherever possible that will be spent on local public services.

- 1.20 **Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
- 1.21 A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2021/22 year end accounts preparation and audit process value these properties below their purchase cost, then an updated Corporate Investment Strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- 1.22 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments by undertaking a comprehensive business case for each individual potential investment opportunity. This will include a market analysis focusing on competition, demand and current market trends. External advisors will be used where appropriate to ensure that the Authority has access to quality advice and expertise in specialist areas. Each potential investment will undergo qualitative and quantitative appraisal to establish its suitability to the Authorities core values and the legal and financial implications of the purchase
- 1.23 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority will only invest cash that is not needed in the short term based on current cash flow predictions. In addition to this a well-diversified property portfolio will be held, spread across different property sectors.

#### **Loan Commitments and Financial Guarantees**

- 1.24 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.
- 1.25 The Authority has contractually committed to make up to £3.020m of loans to Dragonfly Development Limited should it request it.

#### **Borrowing in Advance of Need**

- 1.26 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

#### **Capacity, Skills and Culture**

- 1.27 **Elected members and statutory officers:** This Authority recognises the importance of ensuring that all Elected Members and Officers involved in investment decisions are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. Elected Members' individual training and

development needs are addressed by a Member Development Programme. The Authority's Treasury Management Advisors Arlingclose, provide both Elected Members and Officers with training in relation to all areas of Treasury Management.

- 1.28 **Commercial deals:** The Authority has a decision making framework which is aligned to the requirements of the Statutory Guidance Relating to Local Authority Investments. A dedicated Property Investment Panel, made up of Cabinet Members and the relevant Executive Directors / Assistant Directors, including legal and financial Officers will prepare a business case for each potential Commercial Investment.
- 1.29 **Corporate governance:** The Commercial Property Investment Strategy sets out a number of core principles the Authority will require in a commercial investment. All investments will need to align with Corporate Plan priorities.

### **Investment Indicators**

- 1.30 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.
- 1.31 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

**Table 3: Total investment exposure**

<b>Total investment exposure</b>	<b>31.03.2021 Actual</b>	<b>31.03.2022 Forecast</b>	<b>31.03.2023 Forecast</b>
Treasury management investments	£37.956	£33.900	£29.000
Service investments: Loans	£0.867	£1.100	£1.053
Service investments: Shares	£0.108	£0.137	£0.131
<b>TOTAL INVESTMENTS</b>	<b>£38.931</b>	<b>£35.137</b>	<b>£30.184</b>
Commitments to lend	£1.753	£1.520	£1.000
<b>TOTAL EXPOSURE</b>	<b>£40.684</b>	<b>£36.657</b>	<b>£31.184</b>

- 1.32 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

**Table4:** Investments funded by borrowing

<b>Investments funded by borrowing</b>	<b>31.03.2021 Actual</b>	<b>31.03.2022 Forecast</b>	<b>31.03.2023 Forecast</b>
Joint Venture - Dragonfly	0	0	0
<b>TOTAL FUNDED BY BORROWING</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 1.33 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

**Table 5:** Investment rate of return (net of all costs)

<b>Investments net rate of return</b>	<b>2020/21 Actual</b>	<b>2021/22 Forecast</b>	<b>2022/23 Forecast</b>
Treasury management investments	0.39%	0.10%	0.25%
<b>ALL INVESTMENTS</b>	<b>0.39%</b>	<b>0.10%</b>	<b>0.25%</b>

- The Joint Venture, Dragonfly, has not been included in the above table as its main focus is to support local public services and stimulate local economic growth rather than commercial investment.

**Bolsover District Council**

**Council**

**02 February 2022**

**Adoption of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982(as amended) and the Sex Establishment Policy**

**Report of the Portfolio Holder for Environmental Health and Licensing**

**Classification:** This report is public

**Report By:** Charmaine Terry, Environmental Health Team Manager  
(Licensing)

**Contact Officer:** Charmaine Terry, Environmental Health Team Manager  
(Licensing)

**PURPOSE / SUMMARY**

To invite Council to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended) together with the draft policy.

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**REPORT DETAILS**

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

- 1.1 Under Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (the 1982 Act) and section 27 of the Crime and Policing Act 2009 (the 2009 Act) the Council can adopt legislation and policies which give them the power to control the number and location of sex establishments in its area.
- 1.2 On 11 September 2019 the Council resolved that there was an intention to adopt the 1982 and 2009 Acts in respect of Sex Establishments, that the General Licensing Sub Committee should determine any applications for Sex Establishment licences and a draft policy be prepared and submitted to a future Licensing Committee for member approval.
- 1.3 Following consideration of a draft policy through the General Licensing Committee, a 13 week public consultation opened between 01 March 2021 and 28 May 2021, in order to enable as broad a consultation with partners, stakeholders and the public. The Consultation was carried out through the Ask Derbyshire website, publicised through press releases and on the Council's social media platforms as well as contacting a range of stakeholders directly.
- 1.4 A full evaluation of the responses was carried out and the evaluation, together with copies of the consultation responses and the subsequently amended policy were considered by the General Licensing Committee on 07 October 2021.

- 1.5 Members noted that whilst the responses to the consultation showed an overwhelming objection to sex establishments being established within the district, the adoption of the legislation and the final draft policy (attached as Appendix 1) were necessary to ensure the Council had sufficient powers to regulate such premises.

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

- 2.1 A draft Sex Establishment Policy has been drafted in line with Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (the 1982 Act), section 27 of the Crime and Policing Act 2009 (the 2009 Act) and guidance issued by the Home Office in relation to Sex Establishments.
- 2.2 Following a lengthy public consultation and member scrutiny a recommendation has been made to Council that the process for adopting Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 and section 27 of the Crime and Policing Act 2009 be followed and the final draft policy agreed by the General Licensing Committee on 07 October 2021 (Attached as Appendix 1) be adopted.
- 2.2 The procedure for the formal adoption of the legislation is set out in full in section 2 of Part II the 1982 Act and there are two stages which must be followed:
- (1) The Council must pass a resolution under section 2 of the Local Government (Miscellaneous Provisions) Act 1982 to adopt Schedule 3 of the Act and specify the day the provisions are to come into effect.(Appropriate wording for the Adoption Resolution is set out in Appendix 2.)
  - (2) After Resolution but prior to it coming into force the Council is required to publish, for two consecutive weeks, in a local newspaper circulating in our area, a notice that it has passed a resolution, the first publication not being later than 28 days before the date specified in the resolution for the coming into force of the Council's powers.(Appropriate wording for the notice is set out in Appendix 3.)
- 2.3 In line with the final draft policy a Local Area Profile has been prepared and will be published on the website together with the policy. A copy of the Local Area Profile is attached as Appendix 4.

## **3 Reasons for Recommendation**

- 3.1 Adopting the above legislation will give the Council more powers to regulate and control Sex Establishments within the district. This will in turn provide greater community confidence that any establishments which are proposed within the district undergo appropriate scrutiny and challenge and can only operate within the limits of the Council's policy.

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

- 4.1 The alternative option is to not adopt the legislation and draft policy. However, this would limit the Council's powers to regulate sex establishments and may have negative effects on community confidence and safety and have other negative reputational impacts on the district.
- 

## RECOMMENDATIONS

1. That Council approve the recommendation from the General Licensing Committee that a resolution be made to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended) and the associated statutory notices be published; and
2. That Council approve the recommendation from the General Licensing Committee that the final draft Sex Establishment Policy be adopted.

Approved by the Portfolio Holder - Cllr X, Executive Member for Y

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## IMPLICATIONS

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**Finance and Risk:**            Yes ☒            No ☐

**Details:**

There will be a minor cost associated with the publishing of statutory notices.

On Behalf of the Section 151 Officer

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

**Details:**

Adopting Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended) will give the Council powers to regulate and control sex establishments within the district. Having a policy which is clearly detailed, compliant with the legislation, fit for purpose and clear to applicants could assist in implementing rules while preventing a legal challenge by way of appeal or judicial review, with associated costs in defending the same.

On Behalf of the Solicitor to the Council

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**Staffing:**            Yes ☐            No ☒

**Details:**

On behalf of the Head of Paid Service

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## 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>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <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>	All
<b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes  Details: Public consultation, Licensing Committee and Climate Change and Communities Scrutiny Committee

<b>Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.</b>
All

## DOCUMENT INFORMATION

Appendix No	Title
1	Draft Sex Establishment Policy
2	Draft Resolution for Adoption of Legislation
3	Draft Statutory Notice
4	Draft Local Area Profile
<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 (NEDDC) or Executive (BDC) you must provide copies of the background papers)	



**BOLSOVER DISTRICT  
COUNCIL**

**Sex Establishment Policy and Procedure  
2022 – 2025**

(to take effect from 2022 for 3 years)

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## **1. Introduction and Scope**

- 1.1 This document sets Bolsover District Council's Policy regarding the licensing and regulation of Sex Establishments as defined by the Local Government (Miscellaneous Provisions) Act 1982 ("the Act" as amended by the Policing and Crime Act 2009. These are:

- sexual entertainment venues
- sex shops and
- sex cinemas

(The full definitions can be found within sections 2, 2A, 3 and 4 of the Act)

Applications for such premises can raise significant concerns within the community and locality where the premises are, or are sought to be located.

One of this Council's aims is to strengthen community pride and cohesion in every neighbourhood whilst seeking to lower crime, the fear of crime and anti-social behaviour.

This Policy is intended as a guide to the Council in balancing the needs and interests of the business community, its patrons and employees with those of residents and communities when considering applications for Sex Establishment licences. Its purpose is also to inform interested parties of the principles by which the Council will make decisions.

- 1.2 In exercising its functions under the Act this Authority shall aim to consider each application for a Sex Establishment licence:

- within the context of principles set out in this Policy
- in accordance with the Authority's statement of licensing principles
- in accordance with any relevant guidance issued by the Home Office
- in accordance with provisions of paragraph 12 of Schedule 3 of the Act.

- 1.3 The aim of the Authority in this Policy is to address the impact of sex entertainment establishments in terms of crime and disorder and to ensure that their location and internal layout are appropriate with a view to protecting children and vulnerable persons. The Authority is committed to partnership with all stakeholders with a view to the promotion of this aim. The Authority recognises the impact that unregulated sex entertainment establishments may have on its communities and in delivering the sex entertainment regime will, with regard to the principles set out in this Statement, seek to support its local economy and protect vulnerable people. In doing so it will consider each application on its own merits within the context of this Policy, the legislation and the guidance issued by the Home

Office, any observations submitted to it by the chief officer of police and any relevant objections received from other parties within 28 days of the application.

- 1.4 Subject to statutory provision, a review of this Policy will take place periodically and any revisions to the Policy will be made taking into account information collated over a period of time; the outcomes of related initiatives at central and local government level and appropriate consultation.
- 1.5 Nothing in this statement should be regarded or interpreted as any indication that any statutory requirement regarding sex entertainment establishments or other relevant law is to be overridden.

### **Declaration**

- 1.6 The Authority in the preparation of this Policy has had due regard to:
  - The Local Government (Miscellaneous Provisions) Act 1982
  - The Policing and Crime Act 2009
  - Current guidance issued by the Home Office
  - Responses from those consulted on the Statement.

### **Consultation**

- 1.7 Whilst there is no statutory requirement for the Licensing Authority to consult on the Licensing Authority Statement of Principles, the Home Office Guidance provides a requirement to do so in respect of local people. In addition the Authority has consulted with the chief officer of police for the area.

### **Local Area profile**

- 1.8 Bolsover is a local government district in Derbyshire, England. It borders the districts of Rotherham, Bassetlaw, Mansfield, Ashfield, Amber Valley, North East Derbyshire and Chesterfield. We have a population of approximately 80562.

The District and its surroundings abound with historical attractions, natural beauty with rolling countryside and dramatic landscapes and is an ideal base for businesses, with excellent transport links.

The District has good rail, road and air connections, with M1 junctions, Robin Hood Line train stations in the District and five international airports nearby.

- 1.9 A local area profile has been prepared based on local knowledge and taking into account a wide range of factors, data and information held by the Licensing Authority and its partners. It is anticipated that the local area

profile will give operators a better awareness of the local area and both potential and actual risks. This is available on the Council's website.

Appendix D is a map showing the administrative boundaries of the district.

### **Authorised activities**

1.10 The Act gives licencing authorities important regulatory functions in relation to sex establishments. The main functions are to:

- licence sex establishments
- regulate sex establishments

### **Relationship with other legislation**

1.11 In complying with the provisions of the Local Government (Miscellaneous Provisions) Act (as amended) the Authority recognises the requirements of other legislation and this Statement is not intended to duplicate the existing legislation and regulatory orders which create statutory obligations.

### **Rights of applicants**

1.12 This Statement does not override the right of any person to make an application under the Act and have that application considered on its individual merits.

### **Data sharing and data security**

1.13 The Authority will act in accordance with the provisions of the Act in its exchange of information and those of the General Data Protection Regulation 1998 (GDPR). The Authority will also have regard to any guidance issued by the Home Office on this matter.

### **Equality and Diversity**

1.14 Bolsover District Council is committed to promoting equal opportunities, valuing diversity and tackling social exclusion. The Council will aim to provide opportunities that meet the diverse needs of different people and groups of people by ensuring that services and employment opportunities are accessible to all. Everyone will be treated fairly and with respect. Diverse needs will be understood and valued. The Council will aim to eradicate all forms of discrimination.

## **2. General Principles**

2.1 A decision to refuse a licence application will not be made on moral grounds or on the ground that such an establishment might cause offence.



## **Mandatory grounds for the refusal of an application**

2.2 Mandatory grounds set out in the Act for the refusal of an application are that the applicant:

- is under the age of 18,
- is for the time being disqualified from holding a sex establishment licence,
- is not a body corporate, and is not resident or has not been resident in a EEA state for six months immediately preceding the date of the application,
- is a body corporate which is not incorporated in an EEA state,
- has in the period of 12 months preceding the date of the application been refused the grant or renewal of a licence for the premises, vehicle, vessel, or stall in respect of which the application is made, unless the refusal has been reversed on appeal.

## **Discretionary grounds for the refusal of an application**

2.3 Discretionary grounds set out in the Act for the refusal of an application for a sex establishment licence are that:

- the applicant is unsuitable to hold a licence by reason of having been convicted of an offence or for any other reason
- if the licence were granted, the business to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant of such a licence if he made the application himself
- the number of sex establishments, or sex establishments of a particular kind, in the relevant locality at the time the application is made is equal to or exceeds the number which the authority consider is appropriate to that locality (nil may be an “appropriate number” where the character of the area is considered to be unsuitable for the siting of a sex establishment.
- Grant of a licence would be inappropriate, having regard to:
  - the character of the relevant locality
  - the use to which the premises in the vicinity are put
  - the layout, character or condition of the premises, vehicle or stall in respect of which the application is made

## **Suitability of applicant**

2.4 When considering the suitability of an applicant to hold a licence the Council will take into account such matters as it considers to be relevant including but not limited to whether the applicant:

- is honest

- is qualified by experience to run the type of sex establishment in question
- has a clear understanding of the conditions that may be attached to the licence
- any conviction of a nature that would, in the view of the Council, deem him/her unsuitable, including but not limited to theft, drug offences, sexual offences, violent offences or those relating to prostitution
- has or intends to have a management structure in place which delivers compliance with any operating conditions likely to be imposed on the grant of any such licence, including but not limited to managerial competence and presence, management structure, an internal rules enforcement policy, business plan and policies regarding the welfare of dancers, performers and staff, including but not limited to how they will be protected and how their physical and psychological welfare will be monitored
- can be relied upon to protect members of the public from exploitation, including but not limited to transparent charging and freedom from solicitation
- can demonstrate a track record of management of compliant premises, or that he/she will employ individuals who can demonstrate the same.

The Council will require the applicant to identify the proposed manager or beneficiary of the business, such requirement to continue following any grant of licence in the event of change of personnel. In the event of such change, the Council will apply the principles at 2.2 and 2.3 above.

### **Appropriate numbers and localities**

- 2.5 There is provision within the Act to enable the Council to impose a numerical control on the number of sex establishments in a particular locality. The control applies not only to the number of sex establishments overall but, also to the number of each kind of premises.
- 2.6 The Council may refuse a licence on the grounds that the number of licences of that type is equal to or exceeds the number which the Council considers is appropriate for that locality. Nil may be the appropriate number where the character of an area is considered to be unsuitable for the siting of a sex establishment.
- 2.7 The Council has taken into account its own corporate strategies and priorities as represented by Bolsover's Council Plan, the Bolsover Safeguarding Adults Board Strategy, of the legal context and public consultation in determining its policy in this regard.

## **Sexual Entertainment Venues**

2.8 The consultation showed that a majority of all respondents considered that Sexual Entertainment Venues are inappropriate in the vicinity of:

- *Rural areas*
- *Residential areas*
- *Deprived areas*

2.9 A majority of respondents agreed or strongly agreed that Sexual Entertainment Venues are inappropriate in most localities in the District. The Council's policy is therefore that there is a presumption against licensing Sexual Entertainment Venues in any of these types of areas.

2.10 In addition the consultation revealed that a significant majority of all respondents consider that Sexual Entertainment Venues are inappropriate in the vicinity of:

- Play areas and parks
- Youth facilities
- Schools and other places of education
- Women's refuges
- Family leisure facilities such as cinemas, theatres and concert halls
- Places of worship
- Places used for celebration and/or commemoration
- Cultural leisure facilities such as libraries and museums
- Shopping areas
- Historic buildings

2.11 The Council's policy is therefore that there is a presumption against licensing a sexual entertainment venue in proximity to any of these sensitive locations.

2.12 In considering each of its Ward areas the Council has considered if there are any localities which would fall outside of the areas and locations described in 2.8 and 2.10 above. The Council will comply with its obligation to consider applications when submitted but the Council considers, as a matter of policy, that there may be no locality in the District where it would be appropriate for Sex Entertainment Venues to be located.

2.13 The Council has not determined a limit in each locality in relation to sex establishment venues; applications will be dealt with on a case by case basis, with reference to the above criteria.

## **Sex Cinemas**

2.14 The consultation showed that a majority of all respondents considered that Sex Cinemas are inappropriate in the vicinity of:

- *Rural areas*
- *Residential areas*
- *Deprived areas*

2.15 A majority of respondents agreed or strongly agreed that sex cinemas are inappropriate in most localities in the District. The Council's policy is therefore that there is a presumption against licensing sex cinemas in any of these types of areas.

2.16 In addition the consultation revealed that a significant majority of respondents consider that sex cinemas are inappropriate in the vicinity of:

- Play areas and parks
- Youth facilities
- Schools and other places of education
- Women's refuges
- Family leisure facilities such as cinemas, theatres and concert halls
- Places of worship
- Places used for celebration and/or commemoration
- Cultural leisure facilities such as libraries and museums
- Shopping areas
- Historic buildings

2.17 The Council's policy is therefore that there is a presumption against licensing sex cinemas in proximity to any of these sensitive locations.

2.18 In considering each of its Wards the Council has considered if there are localities which would fall outside of the areas and locations described in 2.14 and 2.16 above. The Council will comply with its obligations to consider applications when submitted but the Council considers, as a matter of policy that there may be no locality in the District where it would be appropriate for sex cinemas to be located.

2.19 The Council has not determined a limit in each locality in relation to sex cinemas; applications will be dealt with on a case by case basis, with reference to the above criteria.

### **Sex Shops**

2.20 The consultation showed that a majority of respondents considered that sex shops are inappropriate in:

- *Rural areas*
- *Residential areas*
- *Deprived areas*

- 2.21 A majority of all respondents considered that sex shops are inappropriate in most localities in Bolsover. The Council's policy is therefore that there is a presumption against licensing sex shops in any of these types of areas.
- 2.22 In addition the consultation revealed that a majority of residents in North East Derbyshire consider that sex shops are inappropriate in the vicinity of:
- Play areas and parks
  - Youth facilities
  - Schools and other places of education
  - Women's refuges
  - Family leisure facilities such as cinemas, theatres and concert halls
  - Places of worship
  - Places used for celebration and/or commemoration
  - Cultural leisure facilities such as libraries and museums
  - Shopping areas
  - Historic buildings
- 2.23 The Council's policy is therefore that there is a presumption against licensing sex shops in proximity to any of these sensitive locations.
- 2.24 In considering each of its Wards the Council has considered if there are localities which would fall outside of the areas and locations described in 2.20 and 2.22 above. The Council will comply with its obligations to consider applications when submitted but the Council considers, as a matter of policy that there may be no locality in the District where it would be appropriate for sex cinemas to be located.
- 2.25 The Council has not determined a limit in each locality in relation to sex shops; applications will be dealt with on a case by case basis, reference to the above criteria.

*Links to other legislation*

- 2.26 The Council will pay particular regard to the following legislation in when applications are determined:

**(a) Crime and Disorder Act 1998**

This Act places a duty on the Council to exercise its functions with due regard to:

- Crime and disorder (including anti-social behaviour) in the area
- The misuse of drugs, alcohol and other substances in the area

In the determination of a licence application the Council will consider the likely impact on these issues and the need to do all that is reasonable to prevent them.

### **(b) Equality Act 2010**

Under this Act, no one may discriminate, harass, or victimise another in respect of their:

- age
- disability
- gender reassignment
- marriage or civil partnership
- pregnancy or maternity
- race
- religion or belief
- sex
- sexual orientation

The Act itself includes a Public Sector Equality Duty. This is consistent with both the Council's policy referred to at 2.24 above and the duties imposed by the Act referred to in 2.24(b) above. The Council must and will show "due regard" to:

- eliminating discrimination, harassment and victimisation
- advancing equality of opportunity
- fostering good relations between people who share a "protected characteristic" (shown above) and
- fostering good relations between those who have a protected characteristic and those who do not.

The Council is aware that sex establishments tend to be predominantly marketed to men. The licensing of these establishments must not encourage discrimination against women, especially those who work at or visit such premises or those who frequent the areas around such premises.

Therefore, in the determination of applications, the Council will consider its Public Sector Equality Duty, including attaching appropriate conditions to licences where granted.

### **(c) Human Rights Act 1998**

The European Convention on Human Rights makes it unlawful for a public authority to act in a way which is incompatible with a Convention right. The Council will pay particular regard to the following relevant provisions of the European Convention of Human Rights:

- Article 6 (entitlement to a fair and proper hearing within a reasonable time by an independent and impartial tribunal)
- Article 8 (a right to respect for home and private life)
- Article 10 (freedom of expression)
- Article 1 of the First Protocol (right to peaceful enjoyment of possessions).

#### **(d) The Provision of Services Regulations 2009**

The Regulations ensure that any refusal of a licence must be:

- non-discriminatory in regard to nationality, necessary for reasons of public policy, public security, public health or the protection of the environment, and proportionate with regard to the objective pursued by the legislation.
- The Council will consider these three requirements in relation to the refusal of licence applications.

#### **(e) Any other relevant current or future legislation**

### **Planning and Building Regulations**

- 2.27 The use of premises is subject to planning control and all premises which are the subject of an application should have the benefit of planning permission or permitted development rights, proof of which shall be the responsibility of the applicant.
- 2.28 In addition, where building works have been executed production of a Building Regulations Completion Certificate and evidence of approval by a building control body will be required.

### **Advertising**

- 2.29 Standard licence conditions will include a requirement that all advertising and the external appearance of the premises (including any changes subsequently made) are approved by the Council (see **Appendix B – Standard Conditions**).

### **Staff Training**

- 2.30 Standard conditions include a requirement that all persons employed on licensed premises shall be trained in particular in relation to the offences created by the Act and the conditions of the licence. Such training shall be documented, retained for a minimum of one year and made available for inspection on request by an authorised officer of the Council or a police officer.

### **Prohibition from fining of staff**

- 2.31 For reasons of gender inequality, a standard condition will be imposed prohibiting this practice.

## **Whistleblowing**

- 2.32 To ensure staff confidence in reporting licence or other breaches, standard conditions will include a requirement of a code of conduct for anonymous reporting to the manager of a venue and/or to the Licensing Authority.

## **Exemptions**

- 2.33 The following sexual entertainment venues are exempt by the Act from a licensing requirement. These are defined as premises where:

- relevant entertainment has been provided on no more than 11 occasions within a 12 month period, and
- no such occasion has begun within a period of 1 month beginning with the end of the previous occasions, and
- no such occasion has lasted more than 24 hours, and
- other premises or types of premises or display exempted by the Secretary of State.

- 2.32 **Note:** This exemption does not apply to sex shops or sex cinemas.

## **3. Applications procedure**

- 3.1 Applications must be made to the Council in the form prescribed and must be submitted with all supporting documents and the licence fee. (Forms will be available from the Licensing team and on the website at [www.bolsover.gov.uk](http://www.bolsover.gov.uk))

- 3.2 The applicant's suitability will be checked before a licence is granted to ensure that the interests of the public are protected. The criteria to be applied will be that the applicant:

- is honest,
- has a clear understanding of the conditions that may be attached to the licence,
- has a suitable business plan which will deliver compliance of the standard conditions, and
- has no convictions of a nature deeming him/her unsuitable, for example (but not limited to) theft, drug offences, sexual offences, violent offences, or any relating to prostitution.

- 3.3 Suitability checks will be made by the following means:

- contents of application form,
- criminal records,
- personal interview.
- information/intelligence relating to any previous licenses held, and
- accreditation.



- 3.4 Application forms will be sent to Derbyshire Constabulary which may conduct its own checks and interview the applicant.
- 3.5 Non-compliance with one or more of the above criteria may not necessarily prevent the applicant from being granted a licence; it will be for the applicant to satisfy the Council that the interests of the public are protected.
- 3.6 Checks and enquiries may also be made regarding the applicant's business structure (to ensure that he/she is not submitting an application on behalf of an individual or company not suitable to be granted a licence in their or its own right). Checks may be made with other Licensing Authorities enforcement agencies and/or Companies House. Applicants may be required to produce business records.

### **Fees**

- 3.7 The fee must be submitted with the application and is based on the costs incurred by the Council in determining the application.

### **Plans**

- 3.8 The applicant must submit an appropriate number of plans/drawings (to an appropriate scale) to allow the identification of:
- the locality of the premises and proximity of any sensitive sites
  - the external footprint of the premises.

The internal layout of the premises (to include areas where licensable activities will take place, staff areas, changing rooms, welfare facilities, means of access and egress, fire escapes, etc).

### **Notices**

- 3.9 Under the Act an applicant must advertise the application in the following ways and within 7 days of the application being submitted to the Council:
- by publication of an advertisement in a local newspaper,
  - by displaying a notice of the application on or near the premises for 21 consecutive days, and
  - by sending a copy of the notice of application to the Chief Officer for Derbyshire Constabulary.
- 3.10 Proof that the above steps have been taken will be required of the Applicant. In addition to the above statutory requirements, the Council recommends that the occupants of any nearby premises are notified by the applicant of details of the application. All new applications will be published on the Council's website.

## **Objections**

- 3.11 Anyone may object to an application and should do so in writing no later than 21 days after the date of the application. Objections can be on any matter save for on moral grounds or values. Appropriate weight will be given to objections relating to the purpose of the legislation.
- 3.12 The Council will notify the applicant in writing of the general terms of any objection received within the above period however details of the objectors' identities will be redacted unless their wish to have their details revealed is specifically stated in the objection.

## **Hearings – decision-making process**

- 3.13 It is the Council's practice to provide notice of committee and sub- committee hearings to all interested parties no later than 7 days before hearings. The notice will include the date and time and procedure of the hearing and will require the addressee to confirm their attendance and that of any witnesses they may wish to call. Hearings will be conducted in public, save where the public interest requires otherwise.
- 3.14 In determining licence applications under the Act the Council will take into consideration the application before it, this Policy, any objections received as well as local knowledge, including local issues and cultural sensitivities.
- 3.15 The decision to refuse or revoke a licence can be made by the Licensing Sub-committee or Officers. Any decision to refuse or revoke a licence will be accompanied by clear reasons for the decision.
- 3.16 Where possible a decision will be given verbally at the sub-committee hearing, with written reasons to follow. In exceptional circumstances the sub-committee may defer the decision in order to allow further consideration of the case and in such circumstances the decision and reasons will be issued to all parties in writing.

## **Conditions**

- 3.17 The Council will impose standard conditions on all licences save where deemed necessary the Council may add to, change or replace the standard conditions with conditions which are relevant to the particular application. The standard conditions can be found at **Appendix B** below.

## **Right of Appeal**

- 3.18 The applicant has a right to appeal the Council's decision to the Magistrates' Court within 21 days of written reasons. There is no right of appeal for objectors. Further information may be found at section 27 of the Act.

### **Term of licence**

- 3.19 A sex establishment licence shall remain in force for a maximum period of one year. The Council may grant a licence for a shorted period should it be deemed necessary and a licence may be brought to an end by surrender or revocation.

### **Renewal/transfer**

- 3.20 The process for renewal or transfer of a licence follows that for an application for a new licence.
- 3.21 Applications for renewal must be made prior to the date of expiry. Without prejudice to the ultimate decision taken by the Council the licence will then be deemed to continue until the application is either withdrawn or determined by the Council.
- 3.22 Previous conduct and history of a licence holder or applicant will be taken into consideration when assessing a renewal or transfer application.

### **Variation**

- 3.23 A licence holder may apply for a variation in terms or conditions of a licence at any time and the process to do so is that for licence applications, save for the requirement to provide plans will only apply where the variation relates to structural alterations.

### **Revocation**

- 3.24 The Council may revoke a sex establishment licence if information is received relevant to either the mandatory grounds for refusal as set out in the Act or the first of the two discretionary grounds, detailed at paragraph 2.3 above.
- 3.25 In the event of consideration by the Council of revocation the licensee will be given an opportunity to appear before and be heard by the Licensing sub-committee.
- 3.26 The licensee will be given a statement in writing of the reasons for consideration of revocation no later than seven days before the hearing.
- 3.27 The revocation will take effect once the appeal period referred to in paragraph 3.18 above has expired, or if an appeal is lodged after the determination or abandonment of the appeal.

### **Waiver**

- 3.28 Provisions within the Act allow licensing authorities to waive the need for a licence. Should the Council decide that a licence would be unreasonable or inappropriate, it may waive the need for a licence, for example in the case

of a medical bookshop, sex clinic, in borderline cases, to correct errors or for minor or temporary events.

- 3.29 The Council will only waive the need for a licence where activity is low risk and/or temporary and a waiver will not be considered in cases where a licence is reasonable and appropriate or where a licence is in the public interest.
- 3.30 An application for a waiver should be made on the same form as that required for a new licence and should be accompanied by a letter setting out the grounds relied on for such a waiver. There is no requirement for such an application to be advertised prior to submission. A fee is payable on submission. Applicants should contact the Licensing Section before making the application.
- 3.31 A decision to waive the need for a licence will be taken by the licensing sub-committee and a Notice of Waiver will be issued thereafter in the event of the application being granted.
- 3.32 Unsuccessful applicants for waivers will be notified in writing and a formal application for a sex establishment licence should be made thereafter in the usual way.

## **4. Delegations**

- 4.1 Applications for the grant, renewal, transfer or variation of a licence will be determined by the Licensing Sub-Committee.

## **5. Contacts**

- 5.1 Contact details for the Licensing Section can be found on the Council's website.

## Appendix A

### Interpretations

- **Advertisement** means any word, letter, image, model, sign, placard, board, notice, device or representation, whether illuminated or not, in the nature of and employed wholly or partly for the purposes of announcement or promotion.
- **Authorised Officer** means an officer employed by Bolsover District Council and authorised by the Council to act in accordance with provisions of the Local Government (Miscellaneous Provisions) Act 1982.
- **The Council** means Bolsover District Council
- **Dancer/performer** includes any person (employed or otherwise) who provides relevant entertainment.
- **Lap dance** means a type of entertainment in which a scantily clad person dances erotically close to a paying customer.
- **Licence** means any sex establishment licence which the Council has the power to grant under the Local Government (Miscellaneous Provisions) Act 1982.
- **Licensee** means the holder of a sex establishment licence.
- **Licensed area** means that part of premises marked on a relevant plan where licensable activities are to take place.
- **Premises** includes any vehicle, vessel, or stall save for any private dwelling to which the public is not admitted.
- **Relevant entertainment** means any live performance (including verbal) or any live display of nudity which is of such a nature that, regardless of financial gain, it can be reasonably assumed to be provided solely or principally for the purpose of sexually stimulating any member of the audience.
- **Responsible person** means the person nominated by the licensee to assume personal control of and be present on the premises whilst those premises are open to the public (the manager).
- **Sex shop** means any premises, vehicle vessel or stall used for a business consisting to a significant degree of selling, renting, exchanging, lending, displaying or demonstrating sex articles or other things intended for use in connection with or for the purpose of stimulating or sexual activity or gratification.
- **Sexual entertainment venue** means any premises at which relevant entertainment is provided before a live audience, directly or indirectly for the financial gain of the organiser.

- **Standard conditions** means terms, requirements or restrictions contained or referred to in the schedule to a licence granted under Schedule 3.
- **Table dance** means a type of entertainment in which a scantily dressed person dances erotically at the table of paying customers or of individual members of the audience.
- **Unsolicited advertising** means any material distributed or circulated without request for the purposes of promotion and includes newspaper, television, radio and social media advertising and flyers and posters.
- **Vehicle** means a conveyance for transporting people or goods on land or water.
- **Worker** means any person who works on or at premises, whether for pay or otherwise and includes managers, bar staff, security personnel, dancers, performers, entertainers, and any other person otherwise involved in the operation of premises during a period when licensable activity is taking place.

END

## **Appendix B**

### **Standard Conditions**

#### **Sexual Entertainment Venues**

##### **General**

1. In accordance with Home Office guidance, where a condition conflicts with a condition in a Licensing Act 2003 premises licence, the more onerous shall apply.
2. Unless stated otherwise, a licence shall remain in force for one year from the date on the licence, after which it shall cease to have effect unless an application for renewal has been submitted before the expiry of the one year period in the manner prescribed by the Council.
3. A licence may be revoked by the Council at any time if the holder of a licence is convicted of an offence of using licensed premises other than in accordance with the terms or conditions or restrictions on the licence or is convicted of any offence under any enactment specified in paragraph 1 of Schedule 3 to the Local Government (Miscellaneous Conditions) Act 1982 as amended.
4. In the event of a conflict between any standard condition and any special condition contained in a licence, the requirements of a special condition shall prevail.
5. The name of the premises must be approved by the Council in writing in advance of the use of such name. Any change to the name must be approved in the same way.

##### **Display of the licence**

6. The licence or certified copy of the same shall be prominently displayed so as to be readily and easily seen by all persons using or visiting the premises at all times. A copy of the conditions of licence shall be kept on or at the premises and shall be available for inspection by an authorised officer of the Council at all times.

##### **Hours of Opening**

7. Except with the written consent of the Council, the premises shall only open to the public during the hours specified in the licence.

## **Conduct of the premises**

8. Relevant entertainment shall only be performed by the dancer/performer: there must be no audience participation.
9. Dancers/performers shall only perform on the stage area or in booths or areas as specified by the Council and identified on the plan attached to the licence.
10. Customers shall only be permitted to dance in areas specified by the Council as being separate from areas for sexual entertainment and identified on a plan attached to the licence.
11. Performances shall be restricted to dancing and the removal of clothes. There shall be no other form of sexual activity or stimulation (which includes kissing).
12. The use of sex toys and penetration of the genital area by any means during performances are prohibited.
13. Dancers/performers shall re-dress at the conclusion of each performance.
14. Customers shall not be permitted to throw money at dancers/performers.
15. No customers shall be admitted to or be permitted to remain on the premises if they appear to be intoxicated or behave in an unruly manner.
16. Customers shall remain fully clothed at all times.
17. The taking of photographs, making of videos or similar recordings (including through use of mobile or video streaming devices of the relevant entertainment shall not be permitted.
18. Customers shall not be permitted to be alone with a dancer/performer in any area to which the public do not have direct access.
19. There shall be a sufficient number of staff present inside the premises to supervise customers and dancers/performers.
20. Table dances shall take place in a supervised area and within five metres of a member of supervisory staff.
21. Save for toilets available for use of both dancers/performers and customers, performers/dancers shall only be in the company of customers in an area open to the public.
22. Single-sex toilet facilities shall be made available for the exclusive use of performers/dancers.



23. Notices shall be clearly displayed on each table, bar and at the entrance to the premises stating that:
  - (1) There is to be no physical contact between dancers/performers;
  - (2) A minimum distance of 300 millimetres is to be maintained between dancers/performers and customers.
24. Performers/dancers shall at all times wear as a minimum a non-transparent G-string and at no time shall they reveal any part of their genitalia or anus.
25. Dancers/performers shall not be permitted at any time to:
  - (1) Display or perform any act which simulates any sexual act;
  - (2) Touch a customer (save for the purposes of necessary and proportionate restraint and/or self-defence)
  - (3) Touch the breasts or genitals of another dancer/performer;
  - (4) Use sexually graphic language;
  - (5) Sit on or straddling of a customer;
  - (6) Climb onto furniture provided for customers or place their feet on a customer's seat;
  - (7) Remains in a state of undress once they have completed their act;
  - (8) Expose any part of their genitalia or anus at any time and wears (as a minimum) a non-transparent G-string;
  - (9) Engage in communication with customers in a way which could be reasonably interpreted as constituting solicitation or prostitution
26. During any performance of a table dance customers shall remain seated in an upright position against the back of their seat with their hands by their sides.

### **External appearance and notices**

27. There shall be a notice displayed inside each entrance or doorway to the premises, clearly visible on entering the premises, setting out the following words and no others:

**“STRICTLY NO ADMITTANCE TO PERSONS UNDER 18 YEARS OF AGE**

**These premises operate a Challenge 25 policy.**

**Persons who appear to be under the age of 25 will be required to show proof of age”.**

28. The external appearance of the premises shall be approved by the Council in writing. Any change to the external appearance shall be approved by the Council in advance. The operator shall advise of any proposed change in writing (such notification to include a drawing of the existing and proposed street elevation). Approval by the Council, in writing, shall be obtained before work is undertaken.
29. Access to the licensed area of the premises shall be through a lobby or entrance area which is constructed in such a way that that part of the interior

where relevant entertainment takes place is not visible to passing members of the public when the doors of the premises are open.

30. Windows and other means by which the interior of the premises might otherwise be viewed into shall be obscured in a manner and with materials approved by the Council so as to prevent any member of the public from seeing into the premises.
31. External signage shall only be illuminated or displayed during times when the premises are open.

### **Advertising**

32. No unsolicited written, visual or auditory advertising material, posters, signage or window display shall be sexually explicit or otherwise designed in a way likely to cause a detriment to the amenity or character of the local vicinity.
33. Unsolicited written, visual or auditory advertising shall be approved in advance of its use by the Council in writing.
34. No verbal promotion, touting or advertising of the premises shall be permitted and nor shall staff or subcontractors be permitted to direct potential customers to any means of transport connected with the premises.
35. No distribution of flyers or leaflets advertising or promoting the premises is permitted other than at times that the premises are open and licensable activities are taking place and at those times only within a 100 metre radius of the premises. All such flyers and leaflets shall be removed from the highway within that radius by 5am. Flyers shall not be distributed to any person under the age of 18 years.

### **Layout of the premises**

36. Access to ground floor premises by customers shall be through two or more doors placed consecutively, so arranged as to ensure that when a person enters or leaves, the interior of the premises is not visible to persons outside the premises. The first set of entry doors must be fitted with a device to ensure their automatic closure and such a device must be maintained in good working order.
37. No access shall be permitted within the premises either to or from adjoining or adjacent premises save in the case of an emergency.
38. Save for routine maintenance work, any alterations shall be approved in advance by the Council in writing.
39. Any reopening of premises following a closure of longer than two weeks for works to be executed shall require the prior notification of the Council of the satisfactory completion of those works by the licensee.

## **Management of the premises**

40. The licensee or a person nominated by him/her to manage the premises on his/her behalf ("a responsible person") shall be present at all times when the premises are open to members of the public.
41. Where a licensee is an incorporated or unincorporated business, any change of director, company secretary or other person responsible for the management of the business shall be notified to the Council within 14 days of such change. Any details or information relating thereto requested by the Council in writing shall be furnished within 14 days of such request.
42. Any person nominated by the licensee to act as a responsible person in his/her absence shall be:
  - a) provided with a copy of the conditions of the licence and have an understanding of them;
  - b) provided with written confirmation of such role, and
  - c) able to produce such written confirmation, on demand, to an authorised officer of the Council or a police officer at all times when at work on the premises.
43. Any criminal charge or conviction relating to either the licensee or (in the event that the licensee is a body corporate) any director, company secretary, or any manager employed by the licensee shall be notified to the Council within 7 days of any such charge or conviction.
44. Control of all parts of the premises shall be retained by the licensee at all times: no part shall be let, nor licence granted nor possession surrendered of any part of the premises and the Council shall be notified within 24 hours in the event that any part of the premises is affected by termination of lease or other event affecting the licensee's control of the premises.
45. No members of the public shall be admitted access to any part of the premises not approved by the Council for such access.
46. A record shall be made and retained on the premises of all workers, including their full names, dates of birth, current and previous address and any convictions recorded against them (subject to the provisions of the Rehabilitation of Offenders Act 1984).
47. A copy of the above mentioned record shall be made available for inspection on the request of an authorised Council officer or police officer.
48. No person under the age of 18 years shall be either admitted to the premises or employed to work in connection with the premises.
49. A "Challenge 25" age verification policy shall operate on the premises (persons who appear to be under the age of 25 shall be required to show proof of age prior to gaining admission to the premises) and a notice to this effect shall be prominently displayed on the premises.

50. Compliance with all relevant statutory and regulatory provisions shall be maintained at all times.
51. A draft code of practice for dancers/performers shall be submitted to the Council and to the police for approval. Following such approval, a copy of such code shall be provided to each dancer/performer and prominently displayed in areas to which they have access.
52. The licensee must ensure that a draft code of practice for customers is submitted to the Council and to the police for approval. Following such approval, the licensee must ensure that a copy of such code is prominently displayed at each entrance to the premises, at the entrance to any private dance areas and in any other areas specified by the Council.
53. Price lists for both drinks and sexual entertainment shall be clearly displayed at each entrance to the premises, at each bar and at each table.
54. Suitable and sufficient training shall be provided to all staff, such training to be documented and documentation relating thereto made available for production to an authorised Council officer or police officer on request.
55. Both the licensee's name and that of any of the manager on duty shall be prominently displayed on the premises at all times when the premises are open to members of the public.

### **Safety and security**

56. A colour digital CCTV system, capable of recording, shall be operational at the premises at all times when the premises are open to members of the public, such system to cover all areas to which members of the public have access (save for toilets).
57. CCTV cameras shall be located as designated by the Council on any site plan and no changes made to such location without the prior written consent of the Council and police.
58. CCTV systems shall be of such standard as to ensure identification of persons and activities and (in the event of the premises including a parking area) vehicle registration number plates to ensure constant and accurate time and date generation.
59. CCTV footage shall be retained and stored for a continuous period of 28 days.
60. Retained CCTV footage shall be downloaded or copied in such a way as to be in a viewable format and available for inspection or seizure on request of an authorised Council officer or police officer.
61. The licensee and any responsible person shall be trained in the use of the premises' CCTV equipment, including the production of footage or images to the police or an authorised Council officer and in the legal duties and powers contained in the Data Protection Act 1998 and General Data Protection Regulations 2018 relating thereto.

62. CCTV footage shall be retained at all times in a secure environment and sufficient measures taken to prevent any unauthorised or unlawful viewing, tampering or copying, or other breach of any statutory provisions relating thereto.
63. A risk assessment will be carried out to establish the number of Security Industry Authority registered (SIA) door staff required at a premises. A minimum of two SIA registered door staff shall be present at all times when the premises are open to members of the public.
64. An incident log shall be retained and made available for endorsement by the licensee, any responsible person, all members of staff and performers/dancers at the premises and for production to an authorised Council officer or police officer on request and such log shall record each and every:
  - a) alleged crime reported at the venue;
  - b) ejection of members of the public;
  - c) complaint received;
  - d) incident of disorder;
  - e) seizure of drugs or offensive weapons;
  - f) fault in the CCTV system or any search or scanning equipment;
  - g) refusal of sale of alcohol;
  - h) visit by police or Council officer or emergency services employee; and
  - i) alleged breach of licence condition reported by any person.
65. A fire safety risk assessment shall be carried out in connection with the premises and any written assessment report produced therefrom shall be retained on the premises and made available for inspection by an authorised Council officer or police officer.
66. Good order shall be maintained on the premises at all times and all persons, on leaving and entering, shall conduct themselves in such a way as to cause no annoyance, alarm or distress to either residents in the vicinity or persons passing by.

#### **Dancer/performer welfare**

67. No dancer/performer shall be under the age of 18.
68. Proof shall be required that each dancer/performer has the right to work in the UK and have no convictions for offences of a dishonest, drug-related, violent or sexual nature. Evidence thereof shall be retained on the premises and made available for inspection by an authorised Council officer or police officer
69. Each dancer/performer shall be provided with copies of the following documents:

- (a) a copy of the conditions attached to the Sex Establishment Licence;
  - (b) details of any other conditions applied by the management of the premises;
  - (c) a copy of the code of practice for dancers/performers;
  - (d) a copy of the code of conduct for customers;
  - (e) a copy of the process for anonymous reporting of concerns to management and the Licensing Authority (the “whistleblowing policy”);
  - (f) a copy of the price list for sexual entertainment and alcoholic drinks; and
  - (g) a record, signed and dated by the dancer/performer, shall be kept of the provision of the above documents.
70. Dancers/performers shall be provided with private secure dressing rooms, facilities to secure personal possessions and adequate sanitation facilities and copies of the documents listed in condition 66 above shall be displayed therein.
  71. At least one female member of staff authorised to be responsible for the safety and welfare of dancers/performers shall be present and on duty at all times when licensable activities are taking place.
  72. All booths and VIP areas used for private dancers shall be visible and accessible to supervision when licensable activities are taking place.
  73. All booths and VIP areas used for private dancing are directly supervised by either a SIA registered door supervisor or a member of staff who has direct contact with a SIA registered door supervisor on the premises at all times when licensable activities are taking place. **Note:** CCTV monitoring will NOT amount to compliance with this condition.
  74. Dancers/performers shall only be in a state of undress in the licensable area when performing on stage or providing a table or lap dance.
  75. Any person present in the premises who may be observed from outside the premises shall be properly and decently dressed.
  76. There shall be no practice of fining in place for breach of any rule or condition, whether relating to the terms of the licence, management or other policy.
  77. Customers and staff shall not interact whilst using any smoking area and dancers/performers shall be dressed in at least robes or coats of knee length whilst using such an area.
  78. During lap or table dancing performances customers shall remain seated, fully clothed, with hands clearly visible and either resting on the chair/sofa on which they are sat.
  79. In the event that a dancer/performer is invited to have a drink with a customer, the dancer/performer shall remain fully clothed during throughout.
  80. No dancer/performer shall be paid commission on the sale of drinks.

81. Dancers/performers shall be escorted to their transport by a SIA registered supervisor on leaving the premises.
82. Individual records shall be kept at the premises in respect of each dancer/performer, to include either a copy of their birth certificate, current passport, driving licence or national identity card and such records shall be available for inspection by an authorised Council officer and police officers of the Licensing Authority on request.
83. Current or prospective dancers/performers shall not to be discriminated against and their legal rights shall be upheld in the course of both their employment and the employment process; this includes rights in relation to age, race, physical ability or affiliation with any organisation.
84. Save in the instance set out in condition 85 below, in the case of licensed premises which are a vessel, vehicle or stall, the vessel, vehicle or stall shall not be moved from the location specified in the licence without 28 days prior written notice to the Licensing Authority of such intention. The Authority may require the licensee to lodge such written application as it may deem appropriate and such fee as it may deem reasonable.
85. The requirements set out in condition 84 above shall not apply where the vessel, vehicle or stall is being moved to another place for storage only, the details of which location having been specified in the licence.
86. No vessel, vehicle or stall shall be used for personal solicitation, touting or advertising.

#### **Variation of conditions**

87. The Council may, at the time of granting or renewing the licence, waive, modify or vary these conditions as it sees necessary.
88. The licensee may apply to the Council to vary any of the terms of the licence.
89. Applications for variation of conditions of licence must be advertised by the licensee in the same manner as an application for the grant, renewal or transfer of a licence.

END

## **Standard Conditions**

### **Sex Cinemas**

#### **General**

1. Unless stated otherwise, the licence hereby granted will remain in force for one year from the date on the licence, after which it will cease to be in effect unless an application for renewal is submitted in the manner prescribed by the Council.
2. The licence may be revoked by the Council if at any time the holder is convicted of an offence of using the licensed premises, or other premises for which a similar licence has been granted, other than in accordance with the terms, conditions or restrictions of the licence or is convicted of any offence under any enactment specified in paragraph 1 of Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 as amended.
3. In the event of a conflict between these conditions and any special conditions contained in a licence relating to a sex establishment the special conditions shall prevail.
4. The name of the premises must be approved by the Council in writing. Any change to the name of the premises must be approved by the Council in writing in advance of its use.

#### **Exhibition of the licence**

5. The licence or a true copy shall be prominently displayed at all times so as to be readily and easily seen by all persons using the premises and all authorised officers. A copy of the conditions attached to the licence shall be kept on the premises and be available for inspection by an authorised officer of the Council or police officer.

#### **Hours of opening**

6. Except with the written consent of the Council, the premises shall only be open to the public during the hours specified in the licence.

#### **Use of the premises**

7. The premises shall be used solely for the exhibition of films.
8. Person to person solicitation or touting from the premises shall be conducted in such a way as not to cause concern to the public or the licencing authority. Literature relating to the premises shall contain no images or text of a sexually explicit, obscene or offensive nature.



9. No part of the premises shall be used for the purposes of solicitation of or actual prostitution.

### **External appearance**

10. A notice shall be displayed inside each entrance or doorway to the premises, clearly visible on entering the premises, setting out the following words and no others:

**“STRICTLY NO ADMITTANCE TO PERSONS UNDER 18 YEARS OF AGE  
These premises operate a “Challenge 25” policy.**

**Persons who appear to be under the age of 25 will be required to  
show proof of age”.**

11. The external appearance of the premises shall be approved by the Council in writing. Any change to the external appearance shall be approved by the Council. The Council shall be notified in writing (such notification to include a drawing of the existing and proposed street elevation) of any proposed change and written consent to that change shall be obtained before any work is undertaken.
12. The frontage of the licensed premises shall be of such a nature as to ensure that the part of the premises where relevant entertainment is provided is not visible to passing members of the public when the door(s) to the premises are opened.
13. Any illuminated external signage shall only be lit and any portable signage displayed whilst the premises are open and licensable activities are taking place.

(N.B. Proposed alteration of RMBC’s terms to match the provision for S.E.V.s in light of “necessity and proportionality” test in H.R.A.).

### **Advertising**

14. No unsolicited written, visual or auditory advertising material, posters, signage or window display shall be sexually explicit or otherwise designed in a way likely to cause a detriment to the amenity or character of the local vicinity.
15. Unsolicited written, visual or auditory advertising shall be approved in advance of its use by the Council in writing.
16. No verbal promotion, touting or advertising of the premises shall be permitted and nor shall staff or subcontractors be permitted to direct potential customers by any means of transport connected with the premises.
17. No distribution of flyers or leaflets advertising or promoting the premises is permitted other than at times that the premises are open and licensable activities are taking place and at those times only within a 100 metre radius

of the premises. All such flyers and leaflets shall be removed from the highway within that radius by 5am. Flyers shall not be distributed to any person under the age of 18 years.

18. The content and distribution of flyers must not be such as to cause public offence.
19. Flyers must not be distributed by or to persons under the age of 18 years.

### **Layout of the premises**

20. Access to ground floor premises by customers shall be through two or more doors placed consecutively, so arranged as to ensure that when a person enters or leaves, the interior of the premises is not visible to persons outside the premises. The first set of entry doors must be fitted with a device to ensure their automatic closure and such a device must be maintained in good working order.
21. No access shall be permitted through the premises to any other adjoining or adjacent premises except in the case of emergency.
22. No alterations (whether temporary or otherwise), save for alterations in respect of routine maintain, shall be made to the structure and installations on the premises, without the prior written consent of the Council.
23. Where works necessitate the premises being closed for a period of time the Council must be given notification in writing of such action and the premises shall not reopen for the purpose of the licence, until the Council has given written notice of the satisfactory completion of the works.
24. All parts of the premises shall be well maintained and kept in a clean condition to the satisfaction of the Council.

### **Management of the premises**

25. Where the licensee is a body corporate, or an unincorporated body, any change of director, company secretary or other person responsible for the management of the business shall be notified to the Council within 14 days of such change. Such details as the Council may require in respect of any such changes shall be furnished within 14 days of a request in writing from the Council.
26. The licensee, or responsible person nominated by the licensee in writing for the purpose of managing the venue shall have personal responsibility for and be present on the premises whilst the premises are open to the public. Any such written nomination shall be produced on demand to an authorised Council officer or police officer.
27. Any nominated person under paragraph 25 above shall be:

- (a) provided with a copy of the conditions relating to the premises and shall have an understanding of them; and
  - (b) provide with a copy of the written nomination referred to in paragraph 25 above at all times whilst present on the premises.
- 28. Any criminal charge or conviction relating to either the licensee or (in the event that the licensee is a body corporate) any director, company secretary, or any manager or responsible person employed by the licensee shall be notified to the Council within 7 days of any such charge or conviction.
- 29. The licensee shall retain control over all parts of the premises and shall not let, licence or part with possession of any part of the premises. The Council must be notified immediately in the event that any part of the premises is affected by the termination of a lease or other event affecting the licensee's control of the premises.
- 30. The licensee shall ensure that no members of the public are admitted to any part or parts of the premises not approved by the Council for such admittance.
- 31. The licensee shall keep a record of all staff or other workers on the premises, including names, addresses, dates of birth, current and preceding address and any convictions recorded against them (subject to the provisions of the Rehabilitation of Offenders Act 1984).
- 32. A copy of staff or workers' records as above shall be produced on demand to an authorised officer of the Council or police officer.
- 33. No person under the age of 18 years shall be admitted to the premises.
- 34. The license shall operate a "Challenge 25" verification policy and persons who appear to be under the age of 25 years shall be required to show proof of age prior to admittance.
- 35. No person under the age of 18 years shall be employed in any capacity.
- 36. The licensee shall notify the Council immediately in the event of any changes to the management or operation of the premises.

### **Safety and security**

- 37. A colour digital CCTV system with capability to record, with time and date displayed shall be maintained and operational at the premises at all times when licensable activities are being carried out and at any other times when members of the public are present on the premises, such CCTV system to cover all areas occupied by members of the public save for toilets, but including corridors, stairways and car parks.
- 38. CCTV cameras shall be located as identified by the Council on the site plan and there shall be no adjustments to such locations without the prior written consent of Derbyshire Police and the Council.

39. The CCTV system shall provide a resolution quality sufficient to display and record physical identification of all persons, activities and vehicle registration numbers of vehicles within any car park to the premises.
40. Recorded CCTV footage shall be maintained and stored for a continuous period of 28 days.
41. Where CCTV is recorded onto a hard drive system, all discs produced (there from) shall be in a format capable of being played and viewed on a standard DVD player or computer.
42. The licensee and any responsible person shall be trained in the use of the premises' CCTV equipment, including the production of footage or images to the police or an authorised Council officer and in the legal duties and powers contained in the Data Protection Act 1998 and General Data Protection Regulations 2018 relating thereto.
43. Material recorded by CCTV equipment shall be stored in a secure environment to prevent tampering and unauthorised viewing.
44. Downloads of CCTV recordings shall be provided to an authorised Council officer or police officer immediately upon their lawful request for the same or, where this is not possible, as soon as reasonably practicable. In the latter case, such recordings shall be preserved until such downloads are provided.
45. Council officers shall be given access at all times public are present to carry out inspections pursuant to the licensing provisions.
46. Regular checks shall be carried out in the auditorium during screenings and a record maintained of such checks, available for inspection upon the request of an authorised Council officer or police officer.
47. A register shall be maintained on the premises of all incidents relating to refusals to allow access or continued access or incidents involving disorder involving members of the public.
48. The licensee shall ensure that a fire safety risk assessment is carried out for the premises and that a copy of the same is retained at the premises and made available for inspection by an authorised Council officer or Fire Authority officer immediately on request.
49. Good order shall be maintained on the premises at all times and all persons when entering or leaving shall conduct themselves in a manner so as not to cause nuisance, alarm or annoyance to persons in the vicinity.
50. An incident log shall be retained and made available for endorsement by the licensee, any responsible person and all members of staff at the premises and for production to an authorised Council officer or police officer on request and such log shall record each and every:
  - (a) alleged crime reported at the venue;
  - (b) ejection of members of the public;
  - (c) complaint received;
  - (d) incident of disorder;
  - (e) seizure of drugs or offensive weapons;

- (f) fault in the CCTV system or any search or scanning equipment;
- (g) visit by police or Council officer or emergency services employee;
- (h) alleged breach of licence condition reported by any person.

### **Vessels, vehicles and stalls**

- 51. Save for the purposes of storage, licensed vessels, vehicles or stalls shall not be moved without the prior written approval of the Council. An application for a proposed move shall be submitted no later than 28 days prior to that move and such fee as the Council deems reasonable shall be payable.
- 52. Any location intended for storage shall be specified at the time of a licence and no vessel, vehicle or stall shall be stored at any location other than that specified in the licence.
- 53. Licensed vessels, vehicles or stalls shall be used for no other purpose than that specified in the licence.

### **Variation and conditions**

- 54. The Council may, at the time of granting or renewal of the licence, waive, modify or vary these conditions or impose additional conditions as appropriate.
- 55. The licensee may apply to the Council to vary any of the terms of the licence.
- 56. The licensee shall advertise any application to vary conditions of licence in the same manner as an application for the grant, renewal or transfer of a licence.

END

## **Standard Conditions**

### **Sex Shops**

#### **General**

1. Unless stated otherwise, the licence hereby granted shall remain in force for one year from the date on the licence, after which it will cease to be in effect unless an application for renewal is submitted in the manner prescribed by the Council.
2. The licence may be revoked by the Council if at any time the holder is convicted of an offence of using the licenced premises, or other premises for which a similar licence has been granted, other than in accordance with the terms, conditions or restrictions of the licence or is convicted of any offence under any enactment defined in paragraph 1 of Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 as amended.
3. In the event of a conflict between these conditions and any special conditions contained in a licence relating to a sex establishment the special conditions shall prevail.
4. The name of the premises must be approved by the Council in writing. Any change to the name of the premises must be approved by the Council prior to such change.

#### **Exhibition of the licence**

5. The licence or a true copy shall be prominently displayed at all times so as to be readily and easily seen by all persons using the premises and all authorised officers. A copy of the conditions attached to the licence shall be kept on the premises and be available for inspection by an authorised officer of the Council or police officer.

#### **Hours of Opening**

6. The premises shall not open to the public other than during the hours specified in the licence except with the written consent of the Council.

#### **Conduct of the premises**

7. The premises shall be used primarily for the purpose of the sale or hire of goods by retail.
8. Any personal solicitation or touting from the premises employed for the purpose of solicitation shall be conducted in such a way as to avoid likelihood of offence to the public and material used shall contain no images or text of a sexually explicit or obscene or offensive nature.

9. No part of the premises shall be used by prostitutes.
10. Merchandise displayed for sale, hire, exchange or loan within the premises shall be clearly marked to display the price being charged.
11. Printed material offered for sale, hire, exchange or loan shall be available for inspection prior to purchase and a notice to this effect shall be displayed in a conspicuous location within the premises.
12. No film or other recorded material shall be exhibited, sold or supplied unless it has been passed by the British Board of Film Classification and bears a certificate to that effect.
13. No film or other recorded material shall be exhibited save for the purpose of advertising on a loop system or allowing a customer a short preview being no longer than 3 minutes in length.
14. Promotional material exhibited shall comply with current legislation, including section 12 of the Recordings Act 1984 as amended.

#### **External appearance**

15. There shall be a notice displayed inside each entrance or doorway to the premises, clearly visible, stating the following words and no others:  
**“STRICTLY NO ADMITTANCE TO PERSONS UNDER 18 YEARS OF AGE**  
**A “Challenge 25” policy is operated on these premises**  
**Persons who appear to be under the age of 25 will be required to show proof of age, failing which they will be required to leave.”**
16. The external appearance of the premises must be approved by the Council in writing. Any change to the external appearance must be approved by the Council in advance. The licensee shall advise the Council of any such proposed change in writing and include drawings of the existing and proposed street elevation.
17. The frontage of the licensed premises shall be of such design as to ensure that the interior of the premises are not visible and that no part of the interior where relevant entertainment takes place shall not be visible when the doors to the premises are open.
18. External signage shall only be illuminated and moveable signs displayed during such times as the premises are open and licensable activities taking place.

## **Advertising**

19. The use of all written, visual or auditory advertisement material, including posters, signage and window displays must be approved in advance by the Council and shall contain no obscene or sexually explicit images or text or language or otherwise be such as to be detrimental to the amenity or character of the local vicinity.
20. Any distribution of flyers is conducted in such a way as to avoid likelihood of offence to the public and that such distribution is only carried out by and to persons aged 18 years or over.

## **Layout of the premises**

21. Access to ground floor premises shall only be through two or more doors placed consecutively, so arranged as to ensure that when a person enters or leaves the premises the interior is not visible from the exterior and the first entry doors shall be fitted with a device which ensures their automatic closure. Such device shall be maintained so as to be in good working order at all times.
22. No access shall be permitted through the premises to any other adjoining or adjacent premises except in the case of an emergency.
23. Save for routine maintenance works, no alterations (including temporary alterations) shall be made to the structure or installations on the premises without the prior written consent of the Council.

## **Management of the premises**

24. Where the license is a body corporate, be it incorporated or not, any change of director, company secretary or other person responsible for the management of that body shall be notified to the Council within 14 days of such change. On written request from the Council of details of change of personnel, such details shall be provided within 14 days of such request.
25. The licensee or a responsible person nominated by him/her in writing for the purpose of managing the venue shall have personal responsibility for and be present on the premises at all times the premises are open to the public. Such written nomination shall be produced on demand to an authorised Council officer or to a police officer.
26. The person nominated by the licensee under the above paragraph: shall be:
  - a) provided with a copy of the conditions relating to the premises and have an understanding of them; and
  - b) able to produce written evidence of such nomination referred to above at all times whilst in charge of the premises.



27. Any criminal charge or conviction relating to either the licensee or (in the event that the licensee is a body corporate) any director, company secretary, or any manager or responsible person employed by the licensee shall be notified to the Council within 7 days of any such charge or conviction, with details of its nature, date and sentence imposed.
28. The licensee shall retain control of all parts of the premises and shall not let, licence or part with possession of any portion. The Council shall be notified in writing immediately in the event of any part of the premises being affected by termination of a lease or other event affecting the licensee's control of the premises.
29. No member of the public shall be admitted to any part of the premises not approved by the Council for such admittance.
30. A written record of all employees on the premises shall be maintained, to include full names, dates of birth, current and previous address and any convictions recorded against them (subject to the provisions of the Rehabilitation of Offenders Act 1984).
31. A copy of the records referred to in the above paragraph shall be produced on demand to an authorised Council officer or a police officer.
32. No person under the age of 18 years shall be admitted to the premises.
33. A "Challenge 25" age verification policy shall be in operation at all times on the premises, with persons appearing to be under the age of 25 being required to show proof of age prior to admittance.
34. No person under the age of 18 years shall be employed on the premises in any capacity.
35. An incident log shall be retained and made available for endorsement by the licensee, responsible person and any member of staff at the premises and for production to an authorised Council officer or police officer on request and such log shall record each and every:
  - (a) alleged crime reported at the venue;
  - (b) ejection of members of the public;
  - (c) complaint received;
  - (d) incident of disorder;
  - (e) seizure of drugs or offensive weapons;
  - (f) visit by police or Council officer or emergency services employee;
  - (g) alleged breach of licence condition reported by any person.

### **Vessels, vehicles and stalls**

36. Save for those which are habitually moved for storage as provided for in the licence, premises consisting of a vessel, vehicle shall not be moved from

the location specified in the licence unless a written application is made to the Council and the Council has issued written consent. Such application shall be submitted at least 28 days prior to the intended move and the Council may require payment of such fee as it deems appropriate in respect of such application.

37. Such premises as described above shall not be used for any purpose other than those set out in the licence.

#### **Variation of conditions**

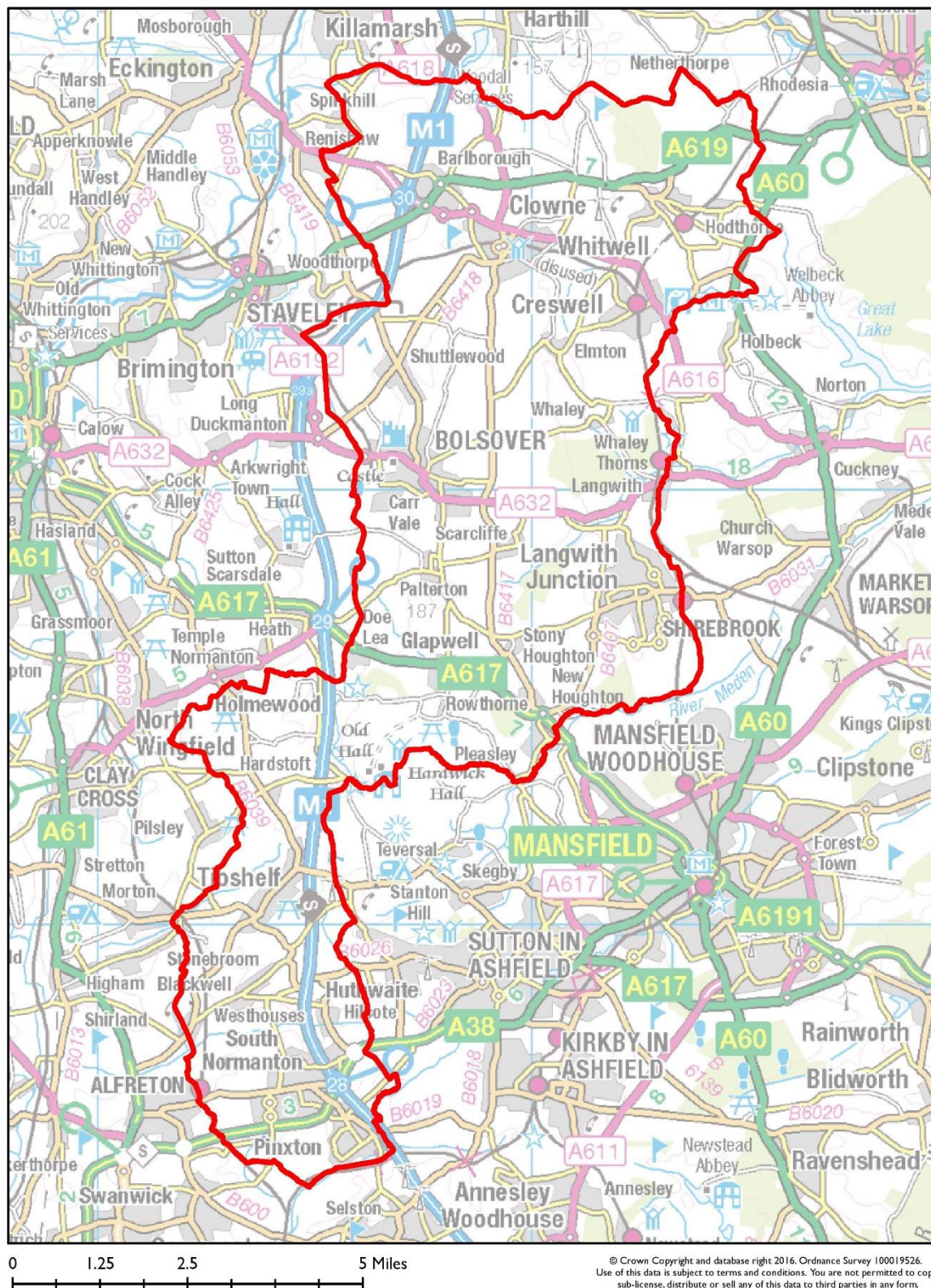
38. The Council may, at the time of the granting or renewal of the licence, waive, modify or otherwise vary these conditions as appropriate.
39. The licensee may apply to the Council for variation of any of the terms of the licence.
40. Applications to vary conditions of the licence must be advertised by the licensee in the same manner as an application for the grant, renewal or transfer of the licence.

END

## Appendix D

### Map of Administrative Boundary

#### Bolsover District Council



Appendix 2  
ADOPTION RESOLUTION

RESOLVED

(1) The provisions of Part II and Schedule 3 of the Local Government (Miscellaneous Provisions) Act and section 27 of the Policing and Crime Act 2009 are to apply to the whole area of the Council on and after the appointed day;

(2) The appointed day for the purposes of this resolution shall be the **[DATE]** (being not before 28 days after publication of the first notice that this Council has passed this resolution in a local newspaper circulating in this Council's area);

(3) [All powers, duties and provisions in the Council Constitution relating to Part II of the Local Government (Miscellaneous Provisions) Act 1982 shall apply on and after the appointed day.]

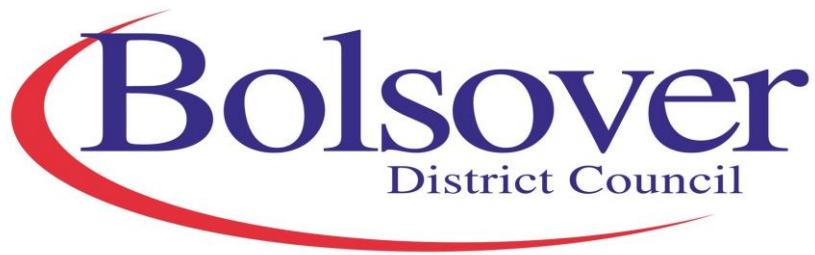
### **Appendix 3**

#### **Public Notice**

##### **Bolsover District Council**

Part II and Schedule 3 Local Government (Miscellaneous Provisions) Act 1982 (“the 1982 Act”) and section 27 of the Policing and Crime Act 2009 (“the 2009 Act”)

NOTICE IS HEREBY GIVEN in accordance with section 2 of the Local Government Act 1982 that on **[Date]**, at a meeting of Bolsover District Council (“the Council”) passed a resolution that the provisions of Part II and Schedule 3 of the 1982 Act and section 27 of the 2009 Act shall be adopted and shall apply within the district of Bolsover District Council, with effect from the **[Date]**, the general effect of Schedule 3 of the 1982 Act and section 27 of the 2009 Act being to enable the Council to licence and regulate sex establishments, including sex shops, sex cinemas and sexual entertainment venues within its district.



**BOLSOVER DISTRICT COUNCIL**

**SEX ESTABLISHMENTS**

**LOCAL AREA PROFILE**

**2022-2025**



## **Local Area Profile**

This document is the Bolsover District Council Local Area Profile, as described in the Council's Sex Establishment Policy.

This Local Area Profile is published by the Council concurrently with the Sex Establishment Policy and is published on our website.

Whilst there is no mandatory requirement to have a Local Area Profile, there are a number of significant benefits to both the Licensing Authority and operators, in having a better awareness of the local area and risks.

The Council's policy statement sets out its approach to regulation. The Local Area Profile runs alongside the Licensing statement, this is to ensure that this profile can be reviewed and updated regularly without the need for full consultation.

## **Bolsover District Council**

Bolsover District Council is a local government district in the north eastern corner of Derbyshire, in the heart of England. It borders the districts of Chesterfield, North East Derbyshire, and Amber Valley in Derbyshire, Mansfield and Bassetlaw in Nottinghamshire and Sheffield, South Yorkshire.

Bolsover District has a population of approximately 81,000 and comprises of four main market towns.

The main town is Bolsover which is dominated by the impressive Castle set high on the hilltop. This quaint market town has a number of independent shops which provide a range of services for visitors and local people and is surrounded by countryside with a number of walks and trails.

Shirebrook, Clowne and South Normanton are all fast growing towns that contain a unique blend of local and national businesses. These provide a range of opportunities for residents and businesses including community farms, East Midlands Designer Outlet and business parks all located near the M1 network.

Often referred to as the 'jewel in the crown', Bolsover District has a nucleus of parishes that contain villages and hamlets with considerable character and history, many parts of which are designated as conservation areas.

The wealth of historical attractions dotted across the area is second to none with Bolsover Castle, Hardwick Hall, Creswell Crags and Stainsby Mill, all of which are surrounded by beautiful countryside, country parks, walks and trails.

Once dominated by King Coal, the landscape and nature of the District has changed with mother-nature reclaiming back the pit tips and replacing it with country parks and nature reserves and brownfield sites being turned into business parks with new technology firms offering a range of job opportunities for local people.

Bolsover District is a growth area with a rich heritage and a prominent central location in the country. We have an excellent track record of delivering high quality physical,

residential and commercial development which is reinvigorating the landscape whilst respecting its industrial legacy.

At the time of this Local Area Profile being published Bolsover District Council has no licensed sex establishments within the district.

For further information about the Local Area profile please contact the Councils licensing department

Email: [licensing@bdc.gov.uk](mailto:licensing@bdc.gov.uk)

Telephone : 01246 217884/ 01246 217885

Address: Licensing Team

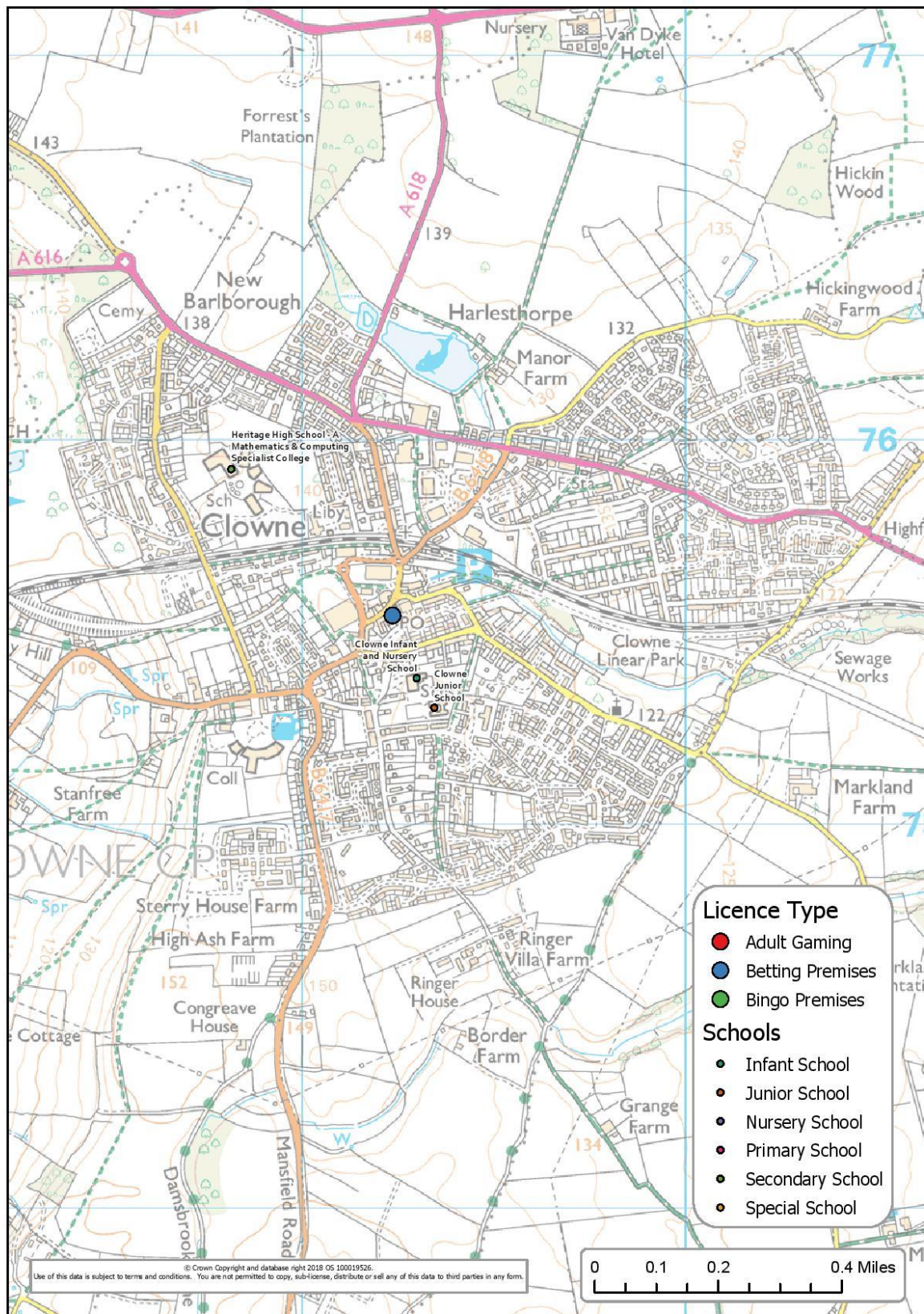
Joint Environmental Health Service  
North East Derbyshire & Bolsover District Councils  
District Council Offices,  
2013 Mill Lane,  
Wingerworth,  
Chesterfield  
S42 6NG



## **BDC Overview**

### **Local area profile Map – Bolsover**

## Local Area Profile Map – Clowne



**Local Area Profile Map – Creswell**

**Local Area Profile Map – Shirebrook**

**Local Area Profile Map – South Normanton**





**Local Area Profile Map – Tibshelf**



## **Bolsover District Council**

### **Council**

**2 February 2022**

### **Auditor's Annual Report - 2020/21**

#### **Report of the Portfolio Holder for Finance**

**Classification:** This report is public

**Report By:** Assistant Director of Finance and Resources

**Contact Officer:** Theresa Fletcher – 01246 242458  
theresa.fletcher@bolsover.gov.uk

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#### **PURPOSE / SUMMARY**

For Council to consider the Auditor's Annual Report in respect of 2020/21 (**Appendix 1**) which has been prepared by Mazars for consideration by Elected Members of the council and other stakeholders.

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#### **REPORT DETAILS**

- 1     Background**
    - 1.1   That Council consider **Appendix 1** from the Council's External Auditor, Mazars.
  - 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.
  - 3     Alternative Options and Reasons for Rejection**
    - 3.1   A copy of the Auditor's Annual Report is available on the Council's website and was considered by the Audit and Corporate Overview Scrutiny Committee at its meeting on 20<sup>th</sup> January 2022. Together with inclusion on this Council agenda these measures should help ensure an appropriate level of consideration by Elected Members and other stakeholders.
- 

#### **RECOMMENDATIONS**

1. That Council considers and notes **Appendix 1**, the report from the Council's External Auditor, Mazars.
-

## IMPLICATIONS

**Finance and Risk:** Yes ☐ No ☒

**Details:** There are no additional financial implications arising from this report.

On Behalf of the Section 151 Officer

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

**Details:** None arising directly from this report.

On Behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☒

**Details:** None arising directly from this report.

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>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <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 directly
<b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Click here to enter text.  Details: Click here to enter text.
<b>Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.</b>	

## DOCUMENT INFORMATION

Appendix No	Title
1	Bolsover District Council – Annual Audit Letter 2020/21
<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 (NEDDC) or Executive (BDC) you must provide copies of the background papers)	



# Auditor's Annual Report

Bolsover District Council – year ended 31  
March 2021

<sup>197</sup>  
December 2021



# Contents

- 01 Introduction
- 02 Audit of the financial statements
- 03 Commentary on VFM arrangements
- 04<sup>198</sup> Other reporting responsibilities

Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council. No responsibility is accepted to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales

# 01

## Section 01: **Introduction**

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# 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 Bolsover District Council (‘the Council’) for the year ended 31 March 2021. 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.



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**Opinion on the financial statements**

We issued our audit report on 30 September 2021. Our opinion on the financial statements was unqualified.

**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**

We have not yet received group instructions from the National Audit Office confirming their requirements in relation to the Council’s Whole of Government Accounts. We are unable to issue our audit certificate until this is formally confirmed.

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. We did not receive any questions or objections in respect of the Council’s financial statements.



# 02

Section 02:

## **Audit of the financial statements**

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# 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 2021 and of its financial performance for the year then ended. Our audit report, issued on 30 September 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021.

## Qualitative aspects of the Council's accounting practices

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

Draft accounts were received from the Council well in advance of the revised statutory deadline and were of a good quality. The accounts were supported by high quality working papers and we received full cooperation from the Finance team in responding to our queries on a prompt basis.

## Significant difficulties during the audit

During the course of the audit we had the full co-operation of management. The audit was again carried out remotely but there were no significant difficulties in carrying out our normal audit procedures and obtaining the audit evidence required to complete the audit. We are grateful for the co-operation and support provided by management.

## Internal Control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls. Based on the audit work carried out this year, we have not identified any significant control deficiencies in 2020/21

2022

# 03

Section 03:

**Commentary on VFM arrangements**

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### 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

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.

Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

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

The table below summarises the outcomes of our work against each reporting criteria. We did not identify any risks of significant weakness, or actual significant weakness, in the Council's arrangements. On the following page we outline further detail of the work we have undertaken against each reporting criteria, including the judgements we have applied.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability	9	No	No
Governance	11	No	No
Improving economy, efficiency and effectiveness	14	No	No



# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria

### Background to the Council’s operating environment in 2020/21

The Council entered 2020/21 at the start of the national lockdown, and faced a significant operational impact from the effects of the pandemic. In response to the Covid-19 pandemic, central government made a series of policy announcements, a number of which have impacted on local authorities such as Bolsover. During the 2020/21 year the Council dealt with a wide range of issues to support local residents and businesses.

Some of the government’s initiatives in response to the Covid-19 pandemic have been backed by additional funding, and the Council received a range of government grants during 2020/21 to either support local businesses/individuals or meet the Council’s own costs. The Council received £1.4m of emergency funding to cover the Council’s extra costs, with £0.4 paid over to local parish councils. The Council also received £0.7m relating to income compensation scheme for the sales, fees and charges income lost during the lockdown periods.

### 2020/21 Financial statement performance

We have carried out a high level analysis of the audited financial statements, including the Balance Sheet and Movement in Reserves Statement and the Balance Sheet.

The Council's balance sheet does not give us cause for concern. Net current assets have remained around £30.6m, with cash and short term investments increasing from £36.9m to £38.9m. Short term creditors have increased from £8.5m to £11.5m, which is largely due to deferred Covid-19 government grants.

The most significant change in the balance sheet relates to movements in the Council's share of the pension fund net liability (being a deficit position) of £55.2m, up from £35.4m in the prior year. It is not unusual to see material movements in the net pension liability and this is consistent with our experience at other local authorities. The deficit position is not unusual and is a recognised area of financial challenge for local authorities.

The Council's useable reserves have increased from £44.3m to £50.4m in 2020/21, with:

- General Fund and Earmarked Reserves of £22.9m, up from £16.4m in 2019/20;
- Housing Revenue Account Balances of £17.5m, compared to £17.4m in 2019/20; and

- Capital Receipts and Grants Reserves of £6.6m, up from £5.4m in 2019/20.

These reserves provide some mitigation against future financial challenges, and include specific reserves (Transformation Reserve £6.8m, and NDR Growth Protection Reserve £6.2m) to address 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.

Notwithstanding this, our work has not highlighted a risk of significant weakness in the Council’s arrangements for ensuring financial sustainability.

### Financial planning and monitoring arrangements

In February 2020 the Council set balanced General Fund and Housing Revenue Account budgets for the 2020/21 financial year. During the year the Council reported its financial position through the quarterly financial performance reports, and carried out a thorough mid-year review before agreeing the revised budget in November 2020. We reviewed a sample of reports presented for 2020/21, which contain detail on any significant variances to budget and an update on performance against savings targets. The reports also contain information on progress against the approved capital programme and reasons for over or underspends against the budget profile to provide adequate scrutiny and oversight.

The Council reported the final revenue outturn position for the 2020/21 year as in-year saving of £681k against the budgeted total General Fund spend of £9,659k, and a Housing Revenue Account surplus which was £408k better than the revised budget forecast. The main General Fund savings totalled £267k in staff related budgets, with the main budget pressure being the £158k additional expenditure required to respond to changes in the recycling arrangements following the contractor’s default. The improved Housing Revenue Account outturn was mainly due to savings in staff, utilities and repairs costs. We have considered the arrangements in place in respect of budget management as part of the Governance criteria on page 11.

# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria (continued)

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

The Medium Term Financial Plan (MTFP) is a current plus four year plan which sets out the Council's commitment to provide services that meet the needs of people locally and that represent good value for money within the overall resources available to it. A key part of the strategy 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 MTFP is prepared alongside other plans and strategies (for example the workforce planning and Capital and Investment Strategies). There is a process in place for challenging any growth items and agreeing the achievability of planned savings.

### Arrangements and approach to 2021/22 financial planning

The arrangements for the 2021/22 budget setting process have largely followed the arrangements in place for 2020/21 but with a better understanding based on the experiences during the year of the impact of Covid-19 on the Council's services. There were still though a number of unavoidable uncertainties regarding likelihood and impact of any future lifting of restrictions or lockdowns, and the availability of any further government support.

Balanced General Fund and Housing Revenue Account budgets for 2021/22 were approved at the February 2021 Council meeting with the initial £291k General Fund shortfall confidently expected to be covered by a combination of vacancy savings, council tax growth and a use of earmarked balances. The Executive approved the revised 2021/22 budget in December 2021. We reviewed the report and confirmed there were few significant changes on the original General Fund estimates, with most new growth items being accommodated within existing budgets and savings. The forecast Housing Revenue Account surplus was unchanged.

There was an acknowledgement that the roll over of the Local Government Funding Settlement meant that some of the expected changes the Fair Funding Review and in relation to New Homes Bonus and any Business Rates reset were not enforced. Changes in these areas were regarded as a risk through expected loss of funding so their deferral represented a gain to the Council's immediate financial position. The continuing uncertainty does make though strategic financial planning difficult for Councils, particularly in relation to General Fund services.

The MTFS approved in February 2021 forecast balanced budgets for each of the years from 2021/22 to 2023/24 but a possible shortfall for 2024/25. To mitigate any losses caused by funding changes the Council has, as described above, established reserves to support its planned transformation and savings process and to address volatility in funding.

**Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability.**

# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Risk management and monitoring arrangements

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 updated and approved Risk Management Strategy which includes the Council's approach, guidance, the Council's risk appetite and roles and responsibilities. There is a Risk Management Group in place, chaired by the appropriate Cabinet member, which includes relevant senior managers. The group oversees all the Council's operational and strategic risk registers and provides challenge as part of the process. The Group provides regular reports to the Audit and Corporate Overview Scrutiny Committee to provide assurance on the risk management arrangements in place and confirm that they are regularly reviewed and are working effectively. These arrangements are consistent with what we would expect at a local authority and are adequate for the Council's purposes.

In order to provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Council is a member of the Internal Audit Consortium which is a shared service with neighbouring councils. The Consortium Manager acts as Head of Internal Audit and the service has been externally assessed as meeting the Public Sector Internal Audit Standards. The annual Internal Audit plan is agreed with management at the start of the financial year and is reviewed by the Audit and Corporate Overview Scrutiny Committee prior to final approval.

The audit plan is based on an assessment of risks the Council faces and is designed to ensure there is assurance on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The planned work can be supplemented if necessary by ad hoc reviews in respect of suspected irregularities and other work commissioned by Officers and Members of the Council where relevant to respond to emerging risks and issues. We have reviewed the Internal Audit plans for 2020/21 and 2021/22 and confirmed they are consistent with the risk based approach.

Internal Audit progress reports are presented to each Audit and Corporate Overview Scrutiny Committee meeting including follow up reporting on recommendations from previous Internal Audit reports. From our attendance at meetings, we are satisfied this allows the Committee to effectively hold management to account. At the end of each financial year the Head of Internal Audit provides an opinion based on the work completed during the year. For 2020/21 the Head of Internal Audit concluded that a reasonable level of assurance could be provided on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control.

Throughout the year we have attended Audit and Corporate Overview Scrutiny Committee meetings. Through attendance at these meetings we have confirmed that the committee receive regular updates on both internal audit progress and risk management in the form of risk registers. We have seen active member engagement from the Committee who challenge the papers and reports which they receive from officers, internal audit and external audit.

### 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 Overview Scrutiny Committee, Executive and Council.

Following approval of the budget, budget monitoring commences to monitor progress against targets. Budget monitoring responsibilities of budget holders are documented and they are supported in this role by the finance team. Budget monitoring reports are produced on a monthly basis and there are regular meetings held, including finance team members, to discuss the financial performance and forecasts. There are rules in place regarding the reporting of budget variances and budget changes. The financial management system (FMS) has an e-purchasing module which ensures orders can only be placed where there is a budget in place. This 'commitment accounting' ensures as soon as an order is placed that the available budget is reduced.

# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria (continued)

There are similar processes and controls in place for development and control of the capital programme alongside the revenue budget setting. The Treasury Strategy reports (encompassing the Treasury Management, Capital and Corporate Investment Strategies) are approved at the same time as the revenue budgets and monitored and reported on throughout the year.

There are the rules in place regarding changes to the original budget, with Executive approval required for any revisions. The opportunity to review the budget was especially important in 2020/21 given the likely impact of Covid-19 was largely unknown at the time the original budget was approved, and the Executive approved the revised budget in November 2020.

Quarterly Financial performance monitoring reports are presented to the Executive and under the updated committee arrangements to the Audit and Corporate Overview Scrutiny Committee. The reports cover General Fund and Housing Revenue Account spend and income to date and forecast against budget, Capital Programme progress and Treasury Management activities. and forecast significant variations are investigated and reported on, together with any corrective action being taken. Our review of the relevant meeting minutes confirmed there was challenge and scrutiny of the process. The impact of Covid-19 on financial performance is apparent from the reports through 2020/21 and any material budget variances were identified and explained at an appropriate stage. There were no significant unexpected over or underspends reported at the year-end.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has published its Financial Management (FM) Code to provide guidance for good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The first full year of compliance with the FM code is 2021/22. The Audit and Corporate Overview Scrutiny Committee received in April 2021 a report from the Assistant Director of Finance and Resources summarising Internal Audit’s assessment of the Council’s compliance with the standards set out in the Code. Internal Audit found that the Council complied with the majority of the Code requirements already and management is working to address the small number of areas for improvement identified.

### Decision making arrangements and control framework

The Council has an established governance structure in place which is set out within its Annual Governance Statement (AGS). We reviewed the AGS and observed the Audit and Corporate Overview Scrutiny Committee’s review of the AGS and monitoring of actions throughout the year in relation to any significant governance issues.

The governance structure, as described in the AGS includes the Council’s Local Code of Corporate Governance, the Constitution and the scheme of delegation which shows the levels of authority required for all key decisions.

The Council’s Local Code of Corporate Governance sets out the governance principles which the Council are committed to and within which the Council conducts its business and affairs. The Local Code identifies the arrangements in place to enable the Council to meet the good governance principles identified.

The required Standards Committee arrangements are in place designed to promote and maintain high standards of conduct by members and co-opted Members of the District Council and of the Town and Parish Councils within the District. We have reviewed the Committee’s minutes in the year and not identified any matters of concern.

The Constitution is kept under review and updated as required. The Constitution sets out how the Council operates, how decisions are made and the procedures to support the Council’s aims of being transparent and accountable. The Constitution includes the Budget and Policy Framework, Financial Regulations and Contract Rules, Member and Officer codes of conduct. There are arrangements in place for the Scrutiny Committees to be made aware of ‘Key Decisions’ taken by the Executive or planned, as well as defining what a Key Decision is. The Constitution sets out the rules and process for Decisions to be ‘called in’ by Committees. No Key Decisions have been ‘called in’ during 2020/21.

The Scrutiny Committee arrangements have been reshaped with there being three themed Committees to support the work of the Executive and the Council as a whole. There was in 2020/21 a further separate Budget Scrutiny Committee which provided a forum for the Scrutiny members to review and challenge the Council’s financial position. The role of the former Audit Committee has been extended through its establishment as the Audit and Corporate Overview Scrutiny Committee, with its functions now including a focus on budget setting and monitoring, and performance monitoring and management. The Scrutiny Committees have work programmes in place to steer their coverage of services and Executive key decisions. There is also a Shared Services Scrutiny Panel in place which scrutinises the joint working arrangements with neighbouring councils. We have reviewed the Scrutiny Committees’ minutes throughout the year and not identified any concerns.

# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria (continued)

### Regulators

There are few external regulators for district councils and we have not identified any matters reported which indicate significant weaknesses in the Council's governance arrangements. We reviewed the Local Government and Social Care Ombudsman's (LGSCO) 2020/21 report to the Council. We also reviewed the report to the Standards Committee at its November 2021 meeting, which included benchmarking of the LGSCO report findings against neighbouring councils and did not highlight any specific concerns.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to governance.

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

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

### Performance Management

The Council agreed 2020-24 Ambition set out the Council's priorities in relation to Customers, Economy and the Environment. The Council has identified the key performance indicators, and target levels of performance, in relation to these priorities. The performance targets are informed by national standards, local benchmarking and experience and subject to initial challenge and confirmation.

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. 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 Overview 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, including whether the performance is affected by Covid-19. The quarterly reports include an appropriate commentary to explain any significant factors which are affecting performance and actions being taken to correct performance.

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. The Narrative Report also includes an agreed plan for subsequent years, including any areas for improvement. This provides the public with an overall assessment of the Council activities for the financial year

We have reviewed a sample of the managers' detailed performance reports and observed the Audit and Corporate Overview Scrutiny Committee's review and challenge of the quarterly reports. The quarterly reports demonstrate that performance has been managed throughout the 2020/21 year and any significant variances have been justified, with no major unexpected gaps in performance at the year end. The process has continued in the first half of 2021/22. Overall, we believe there is sufficient evidence to demonstrate adequate arrangements for performance monitoring and management at the Council.

### Partnerships

There are a number of significant partnership arrangements in place, through which the Council works to deliver services in line with its ambitions and priorities. These include:

- The Strategic Alliance with North East Derbyshire District Council which saw the two Council's for a number of years sharing a number of senior manager posts. Although this has become less so in 2021/22 with both Council's appointing its own Corporate Directors and Head of Paid Service, the Monitoring Officer post continues to be a joint appointment.
- Shared service and joint arrangements with other local authorities covering Environmental Health, ICT, Payroll, Procurement, Internal Audit and the Chesterfield Crematorium.
- The Bolsover Partnership, which is a Local Strategic Partnership for the District and comprises partners from the public, private, community and voluntary sectors with the aim of promoting the social, economic and environmental well-being of the area.
- The Local Enterprise Partnership, D2N2.

There are relevant governance frameworks in place for these arrangements and the Council continues to keep its role in these activities under review. The Council has also since 2016/17 been party to a joint venture through Dragonfly Development Limited, with the objective of providing more social housing in the area. The Council's total investment in this venture at the end of 2020/21 was around £1m.

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

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

### Procurement

The Council has a Procurement Strategy which outlines how the procurement of goods, works and services is achieved and describes the Council's Contract Procurement Rules. We considered the updated Strategy which went to the Audit and Corporate Overview Scrutiny Committee in November 2021 for review. The Strategy, which takes into account latest legislative and operational changes at the Council, provides a corporate framework for the procurement of goods, works and services. There are also controls in place designed to ensure that all procurement activity is conducted with openness, honesty and accountability.

There is a specialist Procurement unit which is a shared service with North East Derbyshire District Council as part of the strategic alliance arrangement. It also provides a service under a service level agreement to another Borough Council and supports parish council's in their procurement. The Council has specific arrangements through standing financial instructions and purchase order controls and our work on the financial statements has not identified any significant internal control deficiencies in these areas.

**Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.**

# 04

Section 04:

**Other reporting responsibilities and  
our fees**

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# 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 NAO in respect of Whole of Government Accounts consolidation data

We have not yet received group instructions from the National Audit Office confirming their requirements in relation to the Council's Whole of Government Accounts. We are unable to issue our audit certificate until this is formally confirmed.

# 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 and Audit Completion Report presented to the Audit and Corporate Overview Scrutiny Committee in April and September 2021 respectively. Our current fees estimate is set out below. We will agree the final fee, and any further variations, with management prior to reporting to the Audit and Corporate Overview Scrutiny Committee.

Area of work	2019/20 fees	2020/21 fees
Scale fee in respect of our work under the Code of Audit Practice	£38,046	£38,046
Additional testing as a result of changes arising from increased audit quality expectations involving the work on the valuation of land and buildings and on the local government pension scheme	£7,067	£7,067
Additional testing as a result of the implementation of new auditing standards	-	£2,016
Other additional testing - new significant audit risks for 2020/21 (Covid-19 grant recognition) and additional testing and reporting in 2019/20 on uncertainties in key estimates as a result of Covid-19	£5,032	£1,188
Additional work as a result of the new Code of Audit Practice and VFM reporting	-	TBC*
Total fees	£50,145	£48,317*

\* The original estimate reported in our Audit Strategy Memorandum for this work was at least £10,000 or 20% of the revised fee. The final fee estimate for the work, and total fees, have not yet been confirmed.

# 4. Other reporting responsibilities and our fees

## Fees for other work

We confirm that we undertook the following non-audit services for the Council in the year.

Certification of the 2019/20 Housing Benefit Subsidy Claim	£9,720
Pooling of Housing Capital Receipts Return	£4,000

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# Mark Surridge, Director – Public Services

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## Mazars

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## **Bolsover District Council**

### **Council**

**2nd February 2022**

## **ROLE OF THE RETURNING OFFICER AND INTERIM ROLE OF MONITORING OFFICER**

### **Report of the Leader of the Council**

<b><u>Classification:</u></b>	This report is public
<b><u>Report By:</u></b>	Sarah Sternberg, Solicitor to the Council and Monitoring Officer
<b><u>Contact Officer:</u></b>	Sarah Sternberg, Solicitor to the Council and Monitoring Officer, <a href="mailto:sarah.sternberg@bolsover.gov.uk">sarah.sternberg@bolsover.gov.uk</a> / 01246 242414

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### **PURPOSE / SUMMARY**

As Members are aware, the Council is recruiting a new Assistant Director of Governance and Monitoring Officer. This post holder is currently also the Council's Returning Officer. This report makes provision for the appointment of a new Returning Officer for the Council and for interim arrangements for the Monitoring Officer until such time as the new post holder in post.

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### **REPORT DETAILS**

#### **1 Background**

- 1.1 It is necessary for the Council to have a Returning Officer to handle all elections (both planned and unplanned) and an Electoral Registration Officer to deal with electoral registration and the annual publication of Electoral Registers together with the rolling register. These posts are usually held by the same officer.
- 1.2 The Council already has in place an Elections Team led by an Electoral Services Manager. The Manager will still report to and be managed by the Assistant Director Governance and Monitoring Officer (when appointed). However it is proposed in this report that the role of Returning Officer and Electoral Registration Officer be held by the Executive Director of Strategy and Development. This officer has the seniority and experience to carry out the role.
- 1.3 The change will come into force on the 5<sup>th</sup> February 2022, if approved.
- 1.4 This appointment will be referred to the next Standards Committee as a change to the Delegation Scheme in the Constitution. This will enable all the relevant

changes to be made in the Delegation Scheme. This will not affect the change occurring on the 5<sup>th</sup> February 2022.

- 1.5 In terms of the Monitoring Officer role, the current post holder is due to leave the Authority on the 5<sup>th</sup> February 2022. The Post Holder's management responsibilities can be picked up on a temporary basis by the Executive Director of Strategy and Development. However the Monitoring Officer is a statutory role and there must be no gap in the appointment. It is therefore necessary to appoint a temporary Monitoring Officer until the new Post Holder takes up their role.
- 1.6 It is proposed that this statutory role is given to the Team Leader, Non contentious Jim Fieldsend from the 5<sup>th</sup> February until Council appoints a new Monitoring Officer.

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

- 2.1 To make the Executive Director of Strategy and Development the Returning Officer and Electoral Registration Officer and to refer the change to the Standards Committee for inclusion in the Delegation Scheme in the Constitution.
- 2.2 To ensure that there is a Monitoring Officer appointed, to appoint Jim Fieldsend, the Team Leader (Non Contentious) as Monitoring Officer from the 5<sup>th</sup> February 2022 until such time as a permanent appointment is made.

## **3 Reasons for Recommendation**

- 3.1 The Council must have a Returning Officer and an Electoral Services Officer to take personal responsibility for the running of elections and the electoral register.
- 3.2 The Council must by law have a Monitoring Officer at all times and these proposals ensure that that this will happen.

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

- 4.1 It is considered that the proposals in this report are the appropriate ones for the Council.

## RECOMMENDATIONS

1. The Executive Director of Strategy and Development is appointed as Returning Officer and Electoral Services Manager for the Council and that the changes to the Delegation Scheme are recommended to the Standards Committee for inclusion in the Constitution; and
2. Jim Fieldsend is appointed as Monitoring Officer from 5<sup>th</sup> February until the Council appoints a permanent Monitoring Officer.

Approved by the Portfolio Holder - Cllr Duncan McGregor Executive Member for  
Corporate Governance

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## IMPLICATIONS

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**Finance and Risk:**      Yes ☐      No ☒

**Details:**

On Behalf of the Section 151 Officer

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

**Details:**

By law only the Council itself can appoint a temporary or permanent Monitoring Officer and Returning Officer and Electoral Registration Officer.

On Behalf of the Solicitor to the Council

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**Staffing:**      Yes ☒      No ☐

**Details:**

As in the report

On behalf of the Head of Paid Service

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## 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>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <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 directly
<b>Consultation:</b> Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes  Details:

<b>Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.</b>
Not applicable

## 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 (NEDDC) or Executive (BDC) you must provide copies of the background papers)	



## Agenda Item 15

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

Document is Restricted