

A meeting of the **OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)** will be held in **CORPORATE TRAINING SUITE, EASTFIELD HOUSE** on **THURSDAY, 4 FEBRUARY 2010** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 1 - 4)

To approve as a correct record the Minutes of the meeting of the Panel held on 14th January 2010.

**M Jerrom
388015**

2. MEMBERS' INTERESTS

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda Item. Please see Notes 1 and 2 below.

3. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN (Pages 5 - 10)

A copy of the current Forward Plan, which was published on 15 January 2010, is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**H Taylor
388007**

4. FINANCIAL STRATEGY, MEDIUM TERM PLAN 2011-2015 AND THE 2010/11 BUDGET (Pages 11 - 58)

To consider a report by the Head of Financial Services.

**S Couper
388103**

5. 2010/11 TREASURY MANAGEMENT STRATEGY (Pages 59 - 76)

To consider a report by the Head of Financial Services.

**S Couper
388103**

6. ECONOMIC DEVELOPMENT

To receive a presentation on:

**H Donnellan
388263**

- ◆ The implications of the loss of the Huntingdonshire Enterprise Agency and
- ◆ The CreativeXchange, St Neots.

7. CUSTOMER SERVICE QUARTERLY REPORT (Pages 77 - 84)

To receive a report by the Head of Customer Services on the performance of Customer Services in the period October to December 2009.

**S Morrison
388303**

8. THE HEALTH IMPLICATIONS OF THE NIGHT TIME ECONOMY

To receive information in relation to the study previously undertaken by the Overview and Scrutiny Panel (Service Support) into the of the night time economy on the effects of alcohol consumption on local health and health service provision.

**A Roberts
388015**

9. INDEPENDENT SCRUTINY PANEL MEMBERS

To consider the recommendations of the Selection Panel regarding the appointment of independent members to the Panel.

**A Roberts
388015**

10. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) PROGRESS REPORT (Pages 85 - 88)

To consider a report by the Head of Democratic and Central Services on the Panel's programme of studies.

**M Jerrom
388009**

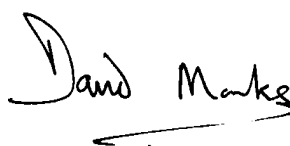
11. WORKPLAN STUDIES (Pages 89 - 104)

To consider, with the aid of a report by the Head of Democratic and Central Services, the current programme of overview and scrutiny studies.

12. SCRUTINY

To scrutinise decisions as set out in the Decision Digest and to raise any other matters for scrutiny that fall within the remit of the Panel (to follow).

Dated this 27 day of January 2010



Chief Executive

Notes

1. *A personal interest exists where a decision on a matter would affect to a greater extent than other people in the District –*

- (a) *the well-being, financial position, employment or business of the Councillor, their family or any person with whom they had a close association;*
 - (b) *a body employing those persons, any firm in which they are a partner and any company of which they are directors;*
 - (c) *any corporate body in which those persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or*
 - (d) *the Councillor's registerable financial and other interests.*
2. *A personal interest becomes a prejudicial interest where a member of the public (who has knowledge of the circumstances) would reasonably regard the Member's personal interest as being so significant that it is likely to prejudice the Councillor's judgement of the public interest.*

Please contact if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (under *Councils and Democracy*).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

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Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in the Corporate Training Suite, Eastfield House, 6 Latham Road, Huntingdon, PE29 6YE on Thursday, 14 January 2010.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors A N Gilbert, M F Shellens and R G Tuplin.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors J T Bell, Mrs J A Dew, L W McGuire and G S E Thorpe.

61. MINUTES

The Minutes of the meeting of the Panel held on 10th December 2009 were approved as a correct record and signed by the Chairman.

62. MEMBERS' INTERESTS

No declarations were received.

63. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN

The Panel considered the current Forward Plan of Key Decisions (a copy of which is appended in the Minute Book) which had been prepared by the Leader of the Council for the period 1st January 2010 to 30th April 2010. Members noted that the Budget and Medium Term Plan and the Treasury Management Strategy and Prudential Indicators would be considered at the next meeting.

64. ASSET MANAGEMENT PLAN

With the aid of a report by the Head of Law, Property and Governance (a copy of which is appended in the Minute Book) the Panel considered the Annual Report on the performance of the Council's assets against a range of criteria prior to its submission to Cabinet. In noting the changes in performance compared with the previous year and other issues highlighted by the Performance Management Indicators, Members were advised that generally the Council's performance compared favourably with other authorities. It was stressed that the compilation of some figures had been delayed to take into account the new offices at Pathfinder House once they had been completed.

In response to a question by a Member regarding energy consumption, it was explained that the increases reported were mainly attributable to the Leisure Centres but that improvements to

the Centres were likely to reduce their energy consumption owing to improved building techniques. It was also anticipated that the implementation of the Council's Energy Efficiency Strategy would produce improvements in energy efficiency. Members suggested that opportunities to introduce further energy efficiency measures should be explored but they stressed that this should take account of the full environmental cost of construction and running facilities. The Estates and Property Manager undertook to provide Members with more information on this subject.

Following a further question on the level of grant funding available through the Community Assets Fund, Members were advised that the Council currently had no suitable projects that would qualify for grant aid from the Fund; however, applications would be made to other sources for funding to improve Council assets.

Members noted the asset management achievements during 2008/09, which included the opening of Block D, Pathfinder House, the completion of the Creative Exchange and the construction of an extension to the Café at Hinchingsbrooke Country Park. Having been informed that delays by the Land Registry had meant that work to introduce a corporate database containing information relating to property ownership and asset management had not yet been completed, it was

RESOLVED

that the report be endorsed for submission to the Cabinet.

65. SAPLEY EAST - PROPERTY TRANSACTIONS

The Panel was acquainted by way of a report by the Heads of Law, Property and Governance and of Financial Services (a copy of which is appended in the Minute Book) with proposals for property transactions that would be required to achieve the approved Masterplan for Sapley East as part of the overall regeneration of Oxmoor.

Members were reminded that, following the outcome of public consultations on various options, the Cabinet had approved proposals for the development of land east of Sapley Square, Huntingdon. The property transactions identified in the report were required in order for the work, which formed the final phase of the regeneration, to be completed. Members were advised that the Council had agreed that any income from its land interests in the area would be reinvested in Oxmoor.

It was reported that key elements of the scheme included the development of a Community Enterprise Centre (CEC) and redevelopment of parts of the Luminus site. For this to be achieved the two faith buildings on the site would have to be relocated and the site of the public house would probably have to be obtained. Members were informed that development would be phased to coincide with progress of the negotiations.

The Panel was advised that a part of a partnership agreement with the Council, Hunts Forum had submitted a bid for grant funding

towards the CEC, which would comprise a learning centre, a furniture recycling initiative and meeting rooms and offices for community organisations. In response to a question concerning the viability of the centre should the bid be unsuccessful, Members were advised that failure of the bid was unlikely but that, should this occur, income from land sales could be used for the project or, subject to the returns achievable, borrowing would be considered. Alternatively, there would also be the option of delaying the project until land values increased. Following a further question, Members were informed that a service level agreement with Hunts Forum would be introduced for the use of the building. Having requested information on future plans for the bridge over Nene Road, it was

RESOLVED

that the report be endorsed for submission to the Cabinet.

66. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL BEING) PROGRESS REPORT

In considering a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) on the Panel's current programme of studies, it was noted that information on the effects of the night-time economy on health and health services would be presented at the next meeting, that the Corporate Plan Working Group would be continuing its investigations later that month and that reports on the costs associated with Standards and on the Council's management of capital projects were expected at the April meeting.

67. WORKPLAN STUDIES

The Panel received and noted a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) containing details of the studies being undertaken by the Council's Overview and Scrutiny Panels.

68. SCRUTINY

The Panel received and noted the latest edition of the Decision Digest.

Chairman

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FORWARD PLAN OF KEY DECISIONS

Prepared by
Date of Publication:
For Period:

Councillor I C Bates
15 January 2010
1st February 2010 to 31st May 2010

Membership of the Cabinet is as follows:-

Councillor I C Bates	- Leader of the Council	4 Church End Hilton Huntingdon PE28 9NJ Tel: 01480 830250 E-mail: Ian.Bates@huntsdc.gov.uk
Councillor L M Simpson	- Deputy Leader of the Council with Special Responsibility for HQ/Accommodation	45 Devoke Close Stukeley Meadows Huntingdon Cambs PE29 6XE Tel: 01480 388946 E-mail: Mike.Simpson@huntsdc.gov.uk
Councillor K J Churchill	- Executive Councillor for Housing and Public Health	51 Gordon Road Little Paxton St Neots PE19 6NJ Tel: 01480 352040 E-mail: Ken.Churchill@huntsdc.gov.uk
Councillor D B Dew	- Executive Councillor for Planning Strategy and Transport	4 Weir Road Hemingford Grey Huntingdon PE28 9EH Tel: 01480 469814 E-mail: Douglas.Dew@huntsdc.gov.uk
Councillor J A Gray	- Executive Councillor for Environment and Information Technology	Shufflewick Cottage Station Row Tilbrook PE28 OJY Tel: 01480 861941 E-mail: JG@novae.com

Councillor C R Hyams	- Executive Councillor for Operational and Countryside Services	22 Bluegate Godmanchester Huntingdon Cambs PE29 2EZ Tel: 01480 388968 E-mail: Colin.Hyams@huntsdc.gov.uk
Councillor A Hansard	- Executive Councillor for Resources and Policy	78 Potton Road Eynesbury St Neots PE19 2NN Tel: 01480 388942 E-mail: Andrew.Hansard@huntsdc.gov.uk
Councillor Mrs D C Reynolds	- Executive Councillor for Leisure	17 Virginia Way St Ives PE27 6SQ Tel: 01480 388935 E-mail: Deborah.Reynolds@huntsdc.gov.uk
Councillor T V Rogers	- Executive Councillor for Finance	Honeysuckle Cottage 34 Meadow Lane Earith Huntingdon PE28 3QE Tel: 01487 840477 E-mail: Terence.Rogers@huntsdc.gov.uk

Any person who wishes to make representations to the decision maker about a decision which is to be made may do so by contacting Mrs Helen Taylor, Senior Democratic Services Officer on 01480 388008 or E-mail: Helen.Taylor@huntsdc.gov.uk not less than 14 days prior to the date when the decision is to be made.

The documents available may be obtained by contacting the relevant officer shown in this plan who will be responsible for preparing the final report to be submitted to the decision maker on the matter in relation to which the decision is to be made. Similarly any enquiries as to the subject or matter to be tabled for decision or on the availability of supporting information or documentation should be directed to the relevant officer.

Roy Reeves
Head of Administration

Notes:- (i) Additions/significant changes from the previous Forward are annotated ***

(ii) For information about how representations about the above decisions may be made please see the Council's Petitions Procedure at <http://www.huntsdc.gov.uk/NR/rdonlyres/3F6CFE28-C5F0-4BA0-9BF2-76EBAE06C89D/0/Petitionsleaflet.pdf> or telephone 01480 388006

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
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Subject/Matter for Decision	Decision/recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Car Parking Review Update***	Cabinet	11 Feb 2010	None.	Richard Probyn, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Agree recommendations for future charging.	D Dew	Environmental Well-Being
1100 Litre Wheeled Bin - Health & Safety Issues***	Cabinet	11 Feb 2010	None.	Robert Ward, Head of Operations Tel No 01480 388635 or e-mail Robert.Ward@huntsdc.gov.uk		C R Hyams	Social Well-Being
Request for a loan to the Wildlife Trust***	Cabinet	11 Feb 2010	Past papers for the Great Fen Project	Steve Couper, Head of Financial Services Tel No. 01480 388103 or e-mail Steve.Couper@huntsdc.gov.uk		T V Rogers	Economic Well-Being
Green ICT Strategy and Action Plan	Cabinet	11 Feb 2010	TBA	Andrew Howes, IMD Operations Manager Tel No. 01480 388190 or e-mail Andrew.Howes@huntsdc.gov.uk	Environmental Management Team	J A Gray	Environmental Well-Being
Development Brief Chequers Court, Huntingdon	Cabinet	11 Feb 2010	Previous urban design framework	Richard Probyn, Planning Service Manager (Policy) Tel No 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Adopt as Interim Guidance	D B Dew	Environmental Well-Being
Covert Surveillance Policy Review	Cabinet	11 Feb 2010	Existing Policy Legislation	Wayland Smalley, Solicitor Tel No 01480 388022 or e-mail Wayland.Smalley@huntsdc.gov.uk	Internal Steering Group	A Hansard	Economic Well-being
Revised Local Development Scheme	Cabinet	11 Feb 2010	Approved LDS	Richard Probyn, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Approve revised Local Development Scheme	D B Dew	Environmental Well-Being

Subject/Matter for Decision	Decision/recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Masterplan for Great Fen	Cabinet	11 Feb 2010	Development Management DPD	Richard Probyn, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Adopt as Planning Policy	D B Dew	Environmental Well-Being
Development Management Submission Document	Cabinet	11 Feb 2010	Preferred Option Document	Richard Probyn, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Approve for public consultation	D B Dew	Environmental Well-being
Review of Discretionary Rate Reliefs	Cabinet	11 Feb 2010	None.	Julia Barber, Head of Customer Services Tel No 01480 388105 or e-mail Julia.Barber@huntsdc.gov.uk		T V Rogers	Economic Well-Being
Budget and MTP	Cabinet	11 Feb 2010	Draft MTP - Previous Year's Budget Report - Various Annexes	Steve Couper, Head of Financial Services Tel No 01480 388103 or e-mail Steve.Couper@huntsdc.gov.uk	Overview and Scrutiny (Economic Well-Being) 4/02/10	T V Rogers	Economic Well-Being
Treasury Management Strategy and Prudential Indicators	Cabinet	11 Feb 2010	Previous Year's Strategy	Steve Couper, Head of Financial Services Tel No 01480 388103 or e-mail Steve.Couper@huntsdc.gov.uk	Overview and Scrutiny (Economic Well-Being) 4/02/10	T V Rogers	Economic Well-Being
Home Improvement Agency Review - Future Delivery Model Consultation***	Cabinet	18 Mar 2010	None.	Mr S Plant, Head of Housing Services Tel No. 01480 388240 or e-mail Steve.Plant@huntsdc.gov.uk		K J Churchill	Social Well-Being

Subject/Matter for Decision	Decision/recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Rural Strategy Cambridgeshire ACRE	Cabinet	18 Mar 2010	None.	Dan Smith, Community Initiatives Manager Tel No. 01480 388377 or e-mail Dan.Smith@huntsdc.gov.uk		K J Churchill	Social Well-Being
Former Fire Station and Waste Recycling Site, Huntingdon Street, St. Neots	Cabinet	18 Mar 2010	Development Brief and Marketing Information (in preparation)	Keith Phillips, Estates and Property Manager Tel No. 01480 388260 or e-mail Keith.Phillips@huntsdc.gov.uk	Ward Councillors.	A Hansard	Economic Well-Being
St. Ivo Leisure Centre - Proposal for Development	Cabinet	18 Mar 2010	None	Simon Bell, General Manager, Leisure Centres Tel No. 01480 388049 or e-mail Simon.Bell@huntsdc.gov.uk		Mrs D C Reynolds	Social Well-Being
Housing Enforcement Powers***	Cabinet	22 Apr 2010	Cabinet Report	John Allan, Neighbourhoods Intervention Manager Tel No. 01480 388281 or e-mail John.Allan@huntsdc.gov.uk	Legal Services & Financial Services.	K J Churchill	Social Well-Being
Western Link Road, Huntingdon***	Cabinet	22 Apr 2010	Previous planning consent	Keith Phillips, Estates and Property Manager Tel No. 01480 388260 or e-mail Keith.Phillips@huntsdc.gov.uk		A Hansard	Economic Well-Being
Homelessness Strategy	Cabinet	22 Apr 2010	None.	Jon Collen, Housing Needs and Resources Manager Tel No. 01480 388220 or e-mail Jon.Collen@huntsdc.gov.uk	Consultation process in preparation.	K J Churchill	Social Well-Being

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Site Options Planning Proposals Development Plan Document	Cabinet	22 Apr 2010	Updated SHLAA Employment Land Review Updated Retail Survey	Richard Probyn, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Approve findings for consultations as preferred options	D B Dew	Environmental Well-Being
Site Options Gypsy and Travellers Development Plan Document	Cabinet	22 Apr 2010	Issues and Options Paper	Richard Probyn, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Approve for public consultation	D B Dew	Environmental Well-Being
Draft Planning Contributions Supplementary Planning Document	Cabinet	22 Apr 2010	Huntingdonshire Development Plans	Richard Probyn, Planning Service Manager (Policy) Tel No 01480 388430 or e-mail Richard.Probyn@huntsdc.gov.uk	Approve for Consultation	D B Dew	Environmental Well-being

CABINET

11 FEBRUARY 2010

FINANCIAL STRATEGY, MEDIUM TERM PLAN 2011 to 2015 AND THE 2010/11 BUDGET

(Report by the Head of Financial Services)

1 PURPOSE

- 1.1 The purpose of this report is to allow the Cabinet to determine its recommendations to Council on 24 February in relation to the Council's Budget and Council Tax for 2010/11, Medium Term Plan for 2011/15 and associated matters.

2 BACKGROUND

- 2.1 This year's process started with consideration of a financial strategy by Overview & Scrutiny, Cabinet and Council in September. The second stage was the draft MTP and Budget report, discussed by Overview & Scrutiny and Cabinet, before being accepted by Council on the 2 December. Both reports highlighted a higher level of uncertainties than normal over the next few years.

3 OVERVIEW

A number of changes have been made to the MTP since the December report and these are explained in Section 4 below.

A number of savings have been achieved in the current year and the overall impact is to reduce the use of reserves from £3.8M to £2.6M. These savings (£1.2M) are transferred into a Special Reserve to help fund the likely transition costs of achieving the necessary future spending adjustments.

The medium term impact of the changes is a reduction in the Council's budget deficit that allows the required spending adjustments to be phased in at a more regular rate i.e. £1M in 2011/12, a further £1.6M in 2012/13 and 2013/14, a further £1.9M in 2014/15 and a further £0.6M in 2015/16. Annex D shows the summary position and also shows the Councils borrowing costs exceeding its investment income for the first time next year.

Section 9 below considers the risks that the assumptions may prove to be inaccurate and highlights the fact that a significant number by value will be resolved in the next two years. Generally the risks are adverse so it is critical that the Council is in a position to speed up the achievement of spending adjustments if this becomes necessary.

Annex H shows the sensitivity of the plan in the longer term to variations in inflation, pay awards, interest rates and other significant items.

Annex I provides the Director of Commerce and Technology's report to the Council on the robustness of the estimates and the adequacy of reserves.

4 PROPOSED CHANGES TO THE DRAFT PLAN

4.1 The table below summarises the change in the key figures during the Budget process. It shows spending falling significantly from previous assumptions due mainly to lower provision for pay and price inflation. Funding also falls due to lower assumptions on Government Grant and reducing the level of Council Tax increases to 2.49%. The net impact is that a reduced level of spending adjustments will be needed in the MTP period **though the longer term impact is little changed.**

FINANCIAL SUMMARY	FORECAST	BUDGET	MTP			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£M	£M	£M	£M	£M	£M
FORECAST SPENDING BEFORE SPENDING ADJUSTMENTS						
Last Year's Plan (February 2009)	23.4	25.8	27.2	28.5	29.6	30.8
Draft Plan (December 2009)	22.9	25.0	24.7	25.9	26.4	27.2
PROPOSED PLAN **	23.4	24.8	24.7	25.7	26.5	27.5
UNIDENTIFIED SPENDING ADJUSTMENTS						
Last Year's Plan (February 2009)	0	-0.5	-1.5	-3.2	-6.5	-6.8
Draft Plan (December 2009)	0	0	-1.0	-2.5	-5.7	-6.8
PROPOSED PLAN	0	0	-1.0	-2.6	-4.2	-6.1
DEFICIT FUNDED FROM RESERVES						
Last Year's Plan (February 2009)	-3.8	-5.0	-4.4	-3.0	0	0
Draft Plan (December 2009)	-3.3	-4.9	-4.1	-3.6	-0.7	0
PROPOSED PLAN	-3.8	-4.7	-3.7	-2.7	-1.6	-0.13
FUNDING (GRANT & COUNCIL TAX)						
Last Year's Plan (February 2009)	-19.6	-20.3	-21.3	-22.3	-23.1	-24.0
Draft Plan (December 2009)	-19.6	-20.2	-19.5	-19.7	-20.0	-20.4
PROPOSED PLAN	-19.6	-20.2	-19.9	-20.4	-20.7	-21.2

Table does not cast as items rounded

**** Includes the contribution of £1.2M to a Special Fund in 2009/10 to support the achievement of long term savings.**

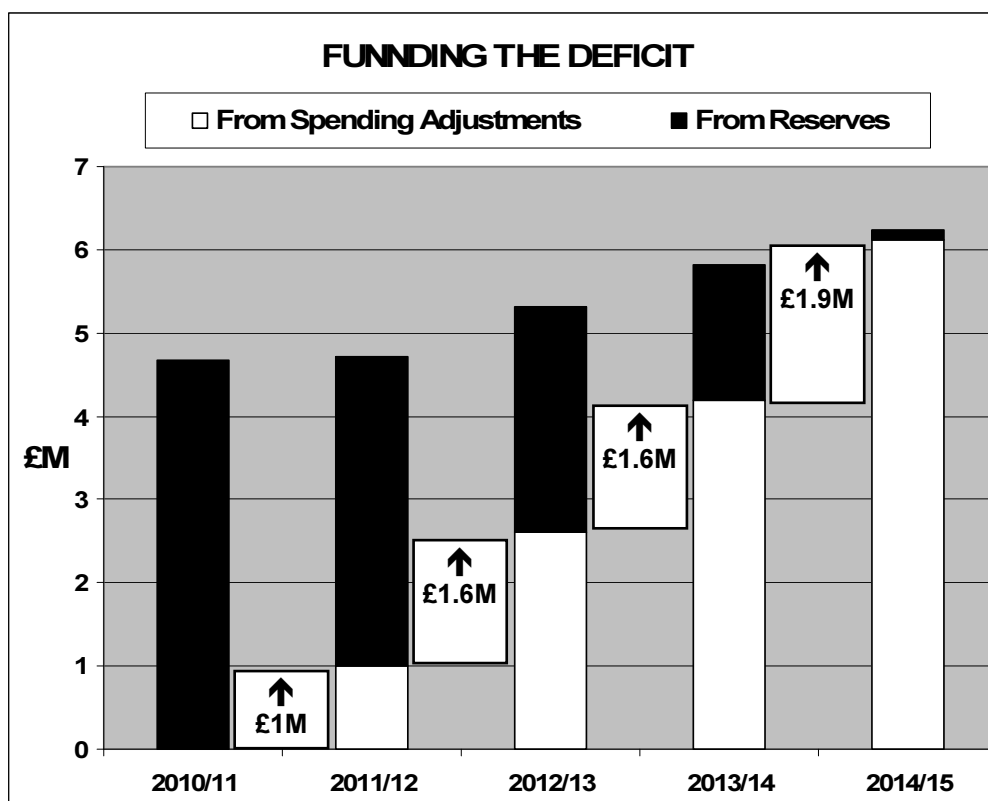
4.2 Annex A shows the assumptions included in this report whilst Annex B describes the main changes between the February 2009 approved budget and the December draft updated for the latest changes. Annex C provides a table of changes from the December Draft to this report.

5 STRATEGY

5.1 The table below (extended to 2024/25 in Annex D) shows the overall position together with the level of the, as yet unidentified, spending adjustments that are required assuming that Council Tax continues to rise at 2.49% per year.

FINANCIAL SUMMARY	FORECAST	BUDGET	MTP			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£M	£M	£M	£M	£M	£M
SPENDING BEFORE ADJUSTMENTS	22.2	24.8	24.7	25.7	26.5	27.5
Unidentified Spending Adjustments	0	0	-1.0	-2.6	-4.2	-6.1
Contribution to Special Fund	1.2					
FORECAST NET SPENDING	23.4	24.8	23.7	23.1	22.3	21.3
FUNDING						
Use of revenue reserves	-3.8	-4.7	-3.7	-2.7	-1.6	-0.1
Remaining revenue reserves EOY	15.8	11.1	7.4	4.7	3.1	3.0
Government Support	-12.6	-12.9	-12.4	-12.6	-12.6	-12.9
Council Tax	-7.0	-7.2	-7.5	-7.8	-8.0	-8.3
COUNCIL TAX LEVEL	£121.15	£124.17	£127.26	£130.43	£133.68	£137.01
£ increase		£3.02	£3.09	£3.17	£3.25	£3.33

5.2 The chart below highlights the Spending Adjustments to be achieved over the MTP period:



- 5.3** Every effort will be made to obtain, as much as possible, of the unidentified spending adjustments from, firstly, increased efficiency, secondly, from increased fees and charges and, only finally, from service reductions. Given the risks outlined in Section 9 below it is important that plans for future years are considered in case the position worsens. Many of the potential options for savings are likely to require additional costs “up front” and, as the Council’s reserves reduce, this could become impossible to achieve. It is therefore proposed that the lower than budgeted spending this year be used to create a Special Reserve to ensure such costs can be funded over the coming years. It is proposed that use of the Fund be delegated to the Director of Commerce and Technology after consultation with the Leader, the Executive Member for Finance and relevant Chief Officers.
- 5.4** Obviously there is a balance to be made between Council Tax increases and ultimately service reductions i.e. the lower the Council Tax increase the greater the service reductions.
- 5.5** Huntingdonshire’s Council Tax is one of the lowest in England (19th lowest) and public surveys have indicated that many local people consider that increases in Council Tax are preferable to service reductions. However the Council’s ability to raise the Council Tax is limited by the Government’s capping regime.
- 5.6** The past figures used for capping were as follows:

	Increase in budget requirement of	AND	Increase in Council Tax of
2005/06	6%		5.5%
2006/07	6%		5%
2007/08	No Authorities capped		
2008/09	5%		5%
2009/10	4%		5%

- 5.7** In 2004/05 14 Councils were capped, in 2005/06 this fell to 9 Councils and in 2006/07 two Councils (York and Medway) were **designated** (i.e. they were not actually capped but were told that for 2007/08 any capping decision would be based on the figures for 2006/07 as if they had been capped). In 2008/09 one Police Authority was capped whilst 6 Police Authorities and one local authority (Portsmouth Unitary) had criteria set such that they would have to limit increases for the next one or two years. In 2009/10 one Police Authority was capped and one had criteria set for 2010/11.
- 5.8** The Local Government Minister has said that “given the current level of inflation and resources made available in the (Grant) settlement, the Government expects the average Band D council tax increase in 2010-11 to be the lowest for at least sixteen years. However, the Government remains prepared to take capping action on excessive increases set by individual authorities if

necessary. The average Band D council tax increase has been steadily falling in recent years and this year's average increase of three per cent was the lowest since 1994-95". She " expects to see it fall further next year while councils protect and improve front line services. Already many councils have indicated that they plan to freeze or cut council tax next year".

- 5.9** Government Ministers have also again warned that past levels of capping cannot be assumed for 2010/11.
- 5.10** The Chief Officers' Management Team considers that based on current information the proposed 2.5% increase is likely to be safe from capping.
- 5.11** If any subsequent Government statements on capping are made they will be reported at the meeting.

6. 2010/11 BUDGET

- 6.1 The tables below show the breakdown and funding of the revenue and capital budgets for which approval is required. Annex G gives fuller details of next years revenue budget including all recharges whilst Annex H shows Direct Services and Support Services with their MTP bids over the 5 year MTP period and highlights those schemes where further approval is required before they can commence.

REVENUE BUDGET	2009/10	2009/10	2010/11
	Original Budget	Forecast	Budget
Service Spending	£000	£000	£000
Environmental Services	9,244	8,287	8,168
Planning	2,652	1,525	2,327
Community Services	7,807	6,791	6,814
Community Safety	1,058	945	1,031
Housing Services	4,839	4,459	4,988
Highways & Transportation	2,008	1,586	2,189
Corporate Services	5,418	4,974	5,198
Other Income and Expenditure			
Contingencies	-677	-149	-484
Other items (mainly reversal of Capital Charges)	-8,436	-5,207	-5,491
Investment Interest and Borrowing Costs	-535	-1,010	108
Contribution to Special Fund		1,200	
Council Total	23,380	23,401	24,848
Funding			
Government Support (RSG & NNDR)	-12,572	-12,572	-12,939
Collection Fund Deficit	-27	-49	35
Council Tax	-7,022	-7,022	-7,274
Deficit – from Reserves	-3,758	-3,758	-4,670
	-23,380	-23,401	-24,848

The figures shown in this table and in Annex G include relevant MTP variations (including inflation), capital charges, management and administration allocations and pension adjustments.

Any capital slippage results in a reduction in capital charges on the service which is reversed in Other Items. The Forecast and 2010/11 budget include a reduced pensions adjustment which again is reversed in Other Items.

CAPITAL BUDGET	2009/10 Forecast			2010/11 Budget		
	Net	Cont.	Gross	Net	Cont.	Gross
	£000	£000	£000	£000	£000	£000
Refuse and Recycling				144		144
Public Conveniences				100	150 ❶	250
Environmental Health				20		20
Economic Development	821	1,810	2,631	618	2,000 ❷	2,618
Community Initiatives				1	120 ❶	121
Parks and Open Spaces	265	210	475	131		131
Leisure Centres	3,078	137	3,215	4,312	2,603 ❸	6,915
Community Facilities	50		50	37		37
Community Safety	144		144	105		105
Housing Services				-168	168 ❹	0
Private Housing Support	1,351	982	2,333	1,690	680 ❸	2,370
Housing Benefits	31		31			
Transportation Strategy	373		373	1,296		1,296
Public Transport	58		58	957		957
Car Parks	24		24	491		491
Environmental Improvements	351	10	361	-1,597	1,839 ❺	242
Environmental Strategy	271	75	346	90	75 ❹	165
Operations Division	825		825	218		218
Offices	4,967	345	5,312	-115	184 ❶	69
IT related	1,049		1,049	813		813
Other	148	15	163	307		307
Technical	202		202	360		360
TOTAL	14,008	3,584	17,592	9,810	7,819	17,629

Grants and Contributions

- ❶ land sales
- ❷ mobile home sales
- ❸ Government Grant
- ❹ County Council contribution from land sale income
- ❺ Salix Grant
- ❻ S106, Football Foundation Grant, St Neots Town Council and County Council
- ❼ Housing Growth Fund

7 CONSULTATION AND COMMENTS

7.1 This report will be considered at a meeting of the Overview and Scrutiny (Economic Wellbeing) Panel on the 4 February and a consultation meeting with members of the business community on the same day. Comments from both meetings will be reported to Cabinet.

8 PRUDENTIAL CODE

8.1 The Prudential Code sets various limits relating to the budget and this has been included as an annex to the Treasury Management Strategy elsewhere on the Cabinet's agenda.

9 RISKS AND SENSITIVITY

9.1 The Financial Forecast, by its very nature, takes a long-term view and, within that time frame, many of its assumptions will turn out to be imprecise. We will regularly review the latest information.

9.2 Some significant uncertainties, and the dates when they may be clarified by, are set out below:

Risks and Unknowns	Timescale
Impact of St Ives Guided Bus	Spring 2010
Government capping decision	May each year
Length and depth of recession – impact on interest rates, pay inflation, house building, Council income and expenditure.	ongoing
Government grant totals for 2011/12 to 2013/14 (may be delayed by election)	November 2010
Grant formula changes (may be delayed by election)	November 2010
Grant impact of Concessionary Fares transferring to County	November 2010
Pension Scheme revaluation	December 2010

9.3 Other risks include:

- reduction in the availability of other Government Grants due to the national economic situation e.g. Housing and Planning Delivery Grant
- interest rates or inflation may turn out to be significantly different to the assumptions in this report.
- the possibility of further VAT refunds and receiving compound rather than simple interest on these and the refunds already agreed.
- the potential for costs relating to “orphan” contaminated land sites.
- difficulty in delivering the savings already identified or the spending targets inherent in this plan.
- further high priority service developments or unavoidable spending requirements emerging.
- the potential for the statutory Disabled Facilities Grants budget to be exceeded if occupational therapists reduce the backlog.
- recycling gate fees changing as a result of movement in economic indices.
- additional costs if Civil Parking Enforcement introduced

- turnover of staff remaining low and hence the turnover allowance in the staffing budget not being achieved (some provision has been made for 3 years).
- car parking penalties will be reviewed in the coming year.
- the Government have proposed an extra ½% increase in employers' NI from April 2011 but, as there is no consensus on this approach from other political parties, it is not included in the plan.
- national and local recycling levels are currently at a lower level than previously. If this were to continue the Council would see a reduction in its income from recycling credits.
- potential for significant costs to be awarded against the Council if any planning appeals are lost.
- capital spending may be deferred to a greater extent than the provision (£700k) made in the MTP.

9.4 Financial Plan – Sensitivity and Risks

Annex E considers the sensitivity of the plan in the longer term to variations in inflation, pay awards and interest rates and highlights other significant risks to the Council's financial position. Some of these issues are clearly outside the Council's control and there is little alternative to simply keeping them under review and reacting appropriately if they occur. Others, particularly the identification of spending adjustments, are clearly within the Council's own control and so can be programmed and dealt with. This annex also explains the need for revenue reserves to be retained at a minimum of £3M in the short term.

9.5 Reserves and the Robustness of the 2010/11 Budget

The Local Government Act 2003 requires the Director of Commerce and Technology (as the Council's Chief Financial Officer) to report to the Council on the robustness of the estimates and the adequacy of reserves when it considers its budget and the consequent Council Tax. His comments are contained in Annex F and confirm that the budget is adequately robust and that the level of revenue reserves is currently significantly above the minimum level required.

10 CONCLUSIONS

10.1 The Council approved the draft Budget, MTP and Financial Strategy figures in December but concern was highlighted in relation to the higher number of areas at risk this year.

10.2 The December figures have been amended for the items highlighted in section 4 and detailed in Annex C of this report. These include the creation of a Special Reserve to ensure funds are available for any "up-front" costs required to achieve future permanent savings.

- 10.3** RSG for 2010/11 has been announced at the same levels as previously proposed. The Government is withholding £418k next year, the equivalent of a 5.7% Council Tax increase, so that Councils who have too much grant only have to give it up slowly.
- 10.4** The Government have, as usual, signalled their intention to use capping to keep Council Tax levels down for 2010/11 and have referred to an expectation that average increases should be below 3%. There can be no guarantee of the actual level at which capping will apply because the Government refuse to give this figure as a matter of principle.
- 10.5** Given the significant levels of spending adjustments required in future years, public reluctance to support service reductions, the Council's current low level of Council Tax and the Government comments on capping the Chief Officers' Management Team considers that the proposals in this report achieve the appropriate balance.
- 10.6** The challenge for the future is highlighted in the chart in paragraph 5.2 which shows that £6.1M of spending adjustments are still to be identified by 2014/15. Those required for 2010/11 have been identified and work is underway to identify specific proposals for subsequent years. Any new additional spending pressures will result in further savings being required.
- 10.7** The resulting proposed Council Tax increase of £3.02 for 2010/11 is 6p per week for a band D property.
- 10.8** The combination of sound budget practices, the success so far in identifying savings and significant revenue reserves means that the proposed 2010/11 budget is robust and that the Council is well-placed, for the moment, to deal with any unforeseen expenditure.

11. RECOMMENDATION

The Cabinet is asked to recommend to February Council:

- **Approval of the proposed MTP, budget and Financial Plan (Annexes D, G and H)**
- **Approval of a Council Tax (Band D) increase of £3.02 for 2010/11.**
- **Approval of the delegation to the Director of Commerce and Technology for using the Special Fund as conditioned in paragraph 5.3 above.**

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services

Working Papers - Files in Financial Services

Project Appraisals

2009/10 Revenue Budget and the 2010/14 MTP

Contact Officer: Steve Couper

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ANNEXES

- A** Assumptions
- B** Main changes between MTP approved February 2009 and this Report (post December changes highlighted)
- C** Changes between December Draft and this report
- D** Overall Financial Summary to 2024/25
- E** Financial Plan - Sensitivity and Risks & Future level of Reserves
- F** Reserves and the Robustness of the 2009/10 Budget
- G** Proposed Revenue Budget 2010/11 – Full service costs basis
- H** Proposed Budget and MTP – Controllable Budget basis showing Direct Services and Support Services with their MTP bids over the 5 year MTP period. Those schemes where further approval is required before they can commence are highlighted.

ASSUMPTIONS

Starting point for this year's review:

APPROVED BUDGET / MTP	09/10 £M	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	17/18 £M	18/19 £M
Net Spending	23.4	25.8	27.2	28.5	29.6	30.8	32.4	33.7	35.0	36.5
Less unidentified reductions		-0.5	-1.5	-3.2	-6.5	-6.8	-7.5	-7.9	-8.2	-8.7
Net Funding required	23.4	25.3	25.7	25.3	23.1	24.0	24.9	25.8	26.8	27.8
Funding										
Government support	-12.6	-12.9	-13.5	-14.0	-14.4	-14.7	-15.1	-15.5	-15.9	-16.3
Council Tax	-7.0	-7.4	-7.8	-8.3	-8.8	-9.3	-9.8	-10.3	-10.9	-11.5
Deficit met from Reserves	-3.8	-5.0	-4.4	-3.0						

Revised Assumptions

Pensions

Employer's pension contributions are based on the valuation made by the independent actuary and the next one is due in late 2010 and will provide the new rates for 2011/12 onwards. It will be significantly affected by the market value of equities when the valuation is carried out but it is becoming clear that increases must be allowed for. In deciding the phasing of these the actuary will balance the need for the Fund to be 100% funded as soon as possible with the need to spread this payment so that it is affordable in the current economic circumstances.

It has therefore been assumed that the contribution rate will rise by 1.5% per year (previously 1%) for 6 years starting in 2011/12. There is a risk that the actuary will determine a different amount and his decision should be available next November.

Concessionary Fares

Concessionary Fares will be transferred to the County Council from April 2011. Whilst we will save the amounts we are currently spending (including the estimated increase in the MTP) there is a potential major difficulty of the DCLG being unable to introduce a change to the grant formula that is fair to all. It is understood that DCLG recognise this problem and so the MTP is based on a neutral result. The risk remains that there could be a significant net loss

Because of the size of the grant loss the impact will be phased in by the "floors and ceilings" which have previously disadvantaged the Council.

Government General Grant

It is expected that the amount to be distributed will be a real terms cut for District Councils because of the economic situation and the perceived priorities of Education and Social Services. The forecast now assumes no cash increase (previous assumption +1% per year) over the next review period (2011/12 to 2013/14) and that this will then increase to a 2½% cash increase per year.

The formula changes are too complex and uncertain to model so no assumed change has been made but the risk is most certainly on the downside.

The Government has a system of protections still in place for those authorities which they have calculated should be receiving less grant. Unfortunately this is funded by those authorities that are due to receive increases in grant like Huntingdonshire and so this Council has now lost over £6M, including interest. The table below shows the change in assumptions on the level of grant (the removal of general grant relating to concessionary fares in 2011/12 is ignored to avoid distorting the underlying impact):

GRANT* FUNDING	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Current Approved Plan										
True grant forecast	13.2	13.4	13.7	14.0	14.4	14.7	15.1	15.5	15.9	16.3
Less withheld to protect others	-0.6	-0.4	-0.2							
Total	12.6	12.9	13.5	14.0	14.4	14.7	15.1	15.5	15.9	16.3
Proposed Plan										
True grant forecast	13.2	13.4	13.4	13.4	13.4	13.7	14.1	14.4	14.8	15.2
Less withheld to protect others	-0.6	-0.4	-0.2							
Total	12.6	13.0	13.2	13.4	13.4	13.7	14.1	14.4	14.8	15.2
LOSS (-)		+0.1	-0.3	-0.6	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1

*Grant includes Revenue Support Grant and NNDR which are *in aggregate* distributed in line with the grant formula.

Tax Base

TAX BASE	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
	£	£	£	£	£	£	£	£	£	£
Band D Properties										
Number	57,960	58,580	59,166	59,698	60,176	60,537	60,900	61,266	61,633	62,003
% increase		1.1%	1.0%	0.9%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%

Inflation

The biggest item will always be pay inflation and this forecast is based on 1% for April 2010, 2011 and 2012 following the Government's Pre-Budget Report (previously 2% in 2011 and 2.5% in 2012) with 2.5% thereafter. This should not be taken as an assumption that the actual award will be at or even around these levels but simply a current estimation that general pay rises may be at these sorts of level. This has a significant impact on spending levels.

Inflation on some other areas has also been adjusted, particularly utilities, where recent retendering has resulted in net reductions, and to balance recharges. The table below highlights the differences over the next four years:

	From	09/10	010/11	11/12	12/13
	To	10/11	011/12	12/13	13/14
pay prices		1%	1%	1%	2.5%
expenditure		2%	2%	2%	2%
fees & charges		2%	2%	2%	2%
electricity		-5%	4.4%	11.5%	5%
gas		-18%	0%	4.5%	18%
fuel		16.4%	7.5%	10%	10%

Interest Rates

The Council has been largely protected from the fall in interest rates through having a number of investments locked into higher rates. As these come to an end over the coming year our returns will fall but will initially be offset, in part, by low borrowing rates.

It has been assumed for the purpose of the forecast that borrowing will be for a mix of periods with current long period rates being significantly higher than short ones. In practice, there will be some opportunity to achieve lower investment rates by borrowing short until long term rates dip.

Given the general lower level of reserves that will remain and concerns about the safety of borrowers the Council has limited the institutions and the periods for which it will borrow which also reduces the rate that will be achieved. When borrowing rates are higher than lending rates the Council can borrow its own money for capital funding on a temporary basis.

The table below shows the assumed interest rates used in the MTP for additional borrowing and investments:

Average Rates	2009/10	2010/11	20011/12	2012/13
Investment	0.75%	1.20%	2.20%	4.00%
Borrowing	0.75%	1.20%	2.69%	4.31%

Capital Spending Variations

Provision for capital spending was reduced in the December Draft from 2015/16 onwards to £5.125M per year (cash prices) to reflect the proposed bid levels for 2014/15. This represents a reduction of £270k.

The ongoing impact of replacing wheelie-bins has now been added to this total. It ranges between £284k and £540k per year.

Assumptions unchanged from the December report.

Council Tax Level

The forecast has been based on only raising Council Tax levels by 2.49% per year. This will be reviewed in the light of the latest information when the tax is formally set in February for 2010/11.

The impact on the Council's income is shown below:

COUNCIL TAX	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Current Approved Plan										
Council Tax level	£121.15	£127.20	£133.55	£140.21	£147.21	£154.55	£162.26	£170.36	£178.86	£187.79
Council Tax Income	£7.0M	£7.4M	£7.8M	£8.3M	£8.8M	£9.3M	£9.8M	£10.3M	£10.9M	£11.5M
Proposed Plan										
Council Tax level	£121.15	£124.17	£127.26	£130.43	£133.68	£137.01	£140.42	£143.92	£147.50	£151.17
Council Tax Income	£7.0M	£7.2M	£7.5M	£7.8M	£8.0M	£8.3M	£8.6M	£8.8M	£9.1M	£9.4M
Reduction in income		-£0.2M	-£0.3M	-£0.5M	-£0.8M	-£1.0M	-£1.2M	-£1.5M	-£1.8M	-£2.1M

Adjusted for revision to tax base assumptions

Use of Revenue Reserves

£16.6M is available to cover the 2009/10 and forecast funding deficits on a temporary basis and thus give the Council time to phase in the necessary spending adjustments over the next few years. (£19.6M less £3M that needs to be retained on an ongoing basis)

SUMMARY OF SIGNIFICANT BUDGET VARIATIONS (Variations from the draft December report are shown in *bold italics*)

Refuse and Recycling

Following a shared procurement exercise undertaken jointly with Fenland and Cambridge City Councils significant savings are expected in the recycling of dry waste. These savings amount to £259k next year and £235k p.a. thereafter. The sum payable is dependant on changes in an index of recycled materials.

The cost of replacing wheelie bins at the end of their life has been reviewed and requires significant capital expenditure to be included in the MTP and Forecast (£144k rising to £540k per year). There is some limited off-setting benefit though as the revenue contribution to the R&R fund will no longer be needed (-£260k in 2009/10 and then -£85k per year ongoing).

Public Conveniences

The contract for cleaning the District's 9 public conveniences will come to an end in March 2010. St Ives and Ramsey Town Councils have indicated that they may take over responsibility for maintaining some of the conveniences. Consideration will be given to alternative means of providing the other conveniences to avoid closure from 1st April.

Transferring responsibility will save the District Council £156k of revenue costs per year from next year. The capital programme includes provision for new public conveniences at the new Huntingdon Bus Station (£75k) and Ramsey Library (£25k).

Planning Policy and Conservation

Provision for Local Development Framework examinations (£500k spread over three years), preparations for the introduction of the Community Infrastructure Levy (£60k) and a reduction in Conservation Grants from £57k to £37k per year.

Planning and Housing Delivery Grant for 2009/10 has now been notified at £721k, £141k is still needed to meet the savings target earmarked to grants and so a net £580k has now been included.

Economic Development

A reduction of £2M in the Housing Growth Funding available for Huntingdon West. Although the number of enquiries and letting of smaller units have increased in the last three months, the recession has had an impact on income from rents for commercial properties. The potential reduction of £100k over two years is based on an analysis of the current portfolio which shows three of the larger premises vacant at the same time and a "churn" of small business as a result of liquidations/closures and new start-ups.

£25k for St Neots Sustainable Urban Extension - Supplementary Plan and £30k for Huntingdon Town Centre - Retail Strategy Support are also included on the basis that most of the cost will be saved in later years. Significant capital schemes previously approved include Huntingdon Town Centre Development and the construction of new starter units in St Ives.

Parks and Open Spaces

Reductions in provision for the Huntingdon Riverside scheme of £550k, Year 5 provision for Play Equipment & Safety Surface Renewal £60k. Extra Housing Growth Fund money for St Neots Green Corridor £210k. Extra maintenance funds for Pavilions £8 per year.

£60k of the R&R fund spend has been transferred to Capital.

Leisure Policy and Development

Substantial reduction in the Arts Development Service producing a £135k saving by 2012/13.

Leisure Centres

Significant extra capital investment in St Neots (£1.949M) and St Ives (£1.955M) is included but these redevelopments are expected to generate a revenue return more than sufficient to cover the cost of the capital investment and the extra running costs to make a positive contribution to the Leisure Centre Savings Target. ***Some rephasing of schemes.***

Provision is made for the receipt of a County Council contribution to capital maintenance costs which has been delayed and continuation of the capital maintenance provision to 2014/15.

Adjustments have been made to the savings target to reflect the MTP variations but also a delay in their achievement resulting in extra costs of £300k this year and £392k next year which is redeemed in later years. ***Further adjustments made which show the target being exceeded within the MTP period.***

Community Initiatives

Community Facilities Revenue Grants extended (£60k 2014/15 onwards)

Community Safety

A recent staffing restructuring will generate savings of £72k per year from next year.

Housing Services

The negative figure in 2010/11 is the capital receipt from the sale of the mobile homes which were purchased to minimise the relocation costs while the contaminated land was dealt with on the site. ***Allowance made for Mortgages being repaid (circa £15k per year).***

Private Housing Support

Social Housing Grant investment has been adjusted to £500k per year for remainder of MTP period. £25k per year from 2011/12 to continue to fund Safer Homes Scheme following end of grant support. One-off capital saving of £92k relating to Decent Homes scheme. Capital provision for Disabled Facilities Grants and Repairs Assistance is retained and extended to include 2014/15.

Transportation Strategy

The Capital programme retains a range of programmes, a number providing joint funding with the County Council, which have been extended to 2014/15. £537k is included in 2010/11 as a contribution to the St Neots Pedestrian Bridge.

Public Transport

The Council faces increased costs resulting from the usage of the concessionary bus fare scheme. These additional costs of £365k per year rising to an estimated £400k next year as a result of St Ives Guided Bus. Capital provision mainly relates to the Huntingdon Bus Station redevelopment. ***Additional grant of £120k will be received next year and the service will transfer to the County Council in 2011/12.***

Car Parks

Capital funding for car park repairs (£237k) over 3 years from 2012/13. Additional funding (£1.5M) included to provide a total of £3.3M for extra car parking in Huntingdon Town Centre to allow redevelopment to take place. This results in additional revenue costs initially but converting to a scheme surplus when parking demand has risen sufficiently. £40k per year assumed loss of car parking income at St Ives due to Guided Bus car park being free.

Provision for introducing charging at car parks which are not currently charged for is assumed to commence in June 2010 with the net increase in income rising from £100k to £125k in a full year. The Car Park Working Party is to consider which car parks and relevant charges. ***Capital provision for signage and extra machines of £31k has been provided.***

An NNDR charge for Huntingdonshire Riverside car park has now been assessed and so £15k per year has been provided.

Environmental Improvements

Capital contribution from County Council towards Heart of Oxmoor delayed to 2010/11 due to market conditions delaying sale of the related housing land.

Environmental Strategy

Various projects resulting in additional revenue spending of £335k and capital spending of £150k over the MTP period.

A Building Efficiency Improvements scheme is also included which is

partly grant funded and forecast to create eventual savings of £40k per year after allowing for financing costs. Part of this scheme is likely to be undertaken in Leisure Centres and so the saving has been discounted by 50% to avoid double counting with the Leisure Centres saving target.

Administrative Services

The impact of the recession and continuing competition from the private sector has resulted in a reduction in income from property searches. This has been offset recently by an increase in the number of searches received, which is likely to continue as the property market recovers and Government announcements on changes to statutory charges for personal searches. Land Charges income is anticipated to fall by up to £50k on this year's approved budget.

Democratic Representation

An adjustment is needed to reflect the Council's decision to maintain the existing system of election by thirds as opposed to the proposal for all-out elections included in the approved MTP.

Offices

Savings of £489k capital leading to a revenue saving due to accommodating staff in new buildings so that Castle Hill House can be sold. This sale, together with that of the site fronting St. Mary's Street, results in the large negative capital value (-£1,810k) in 2012/13.

Centenary House rental has been transferred from capital to revenue in the current year (£64k).

IMD related

Considerable efforts are being made to generate economies in the IMD budget. This has already resulted in savings of £52K on the approved 2009/10 budget and further significant ongoing savings are currently under investigation.

Funding future PC replacements from capital rather than revenue will switch £252k pa of costs from revenue to capital.

Correction of removal of £78k of business systems expenditure from 2014/15 onwards.

Other

A restructuring of Central Services staff has realised a saving of £105k. Further capital expenditure savings are expected on Document Centre equipment replacements (£67k) but extra provision is made for Multi-functional Devices (£43k) and Scanning Equipment (£51k).

Technical

Transfer of staff overheads from capital to revenue as a result of a change to the accounting rules is partly offset by extra staff time on capital schemes. Some of these adjustments are on individual schemes under individual services.

A total refund of VAT in 2009/10 of **£680k** is estimated (previously £780k) with a possibility of a further sum next year.

Provision is included for capital inflation as the MTP is produced at a 20010/11 price base.

VAT partial exemption was reintroduced this year after a two year break and some **further (-£130k per year)** adjustment has been made to the previously forecast cost.

Investment interest, inflation, cost of borrowing and the outstanding spending adjustments target are all included within this section.

Changes in interest rates have had a beneficial impact (circa £180k over MTP period).

Inflation on utilities has been lower than expected in the recent retendering leading to reductions in the inflation provision. An adjustment to balance inflation on recharges has also been made. The allowance for pay inflation has been reduced to 1% in 2011/12 and 2012/13 following the Pre-Budget Statement. This is significantly off-set by the inflation element of the reduced spending adjustments required in the period – see below.

The provision for capital inflation has been updated and reduced. (circa £80k)

DCLG have now proposed that accrued leave will no longer have an impact on the Council's net spending and so the provision has been removed (£150k in 2009/10 only).

The staff turnover allowance will not be achieved in the current year and the funding difficulties that Local Authorities are expecting to face are likely to reduce further the number of staff changing jobs. £250k p.a. has therefore been provided for three years in the MTP.

As a result of the changes the Unidentified savings target has significantly reduced in 2013/14 and 2014/15 thus giving a more even increase in the target.

Adjustment has been made to the forecast outturn for 2009/10 to reflect a significant number of minor items that do not merit MTP adjustments individually. (+£153k)

It has been assumed that £1.2M of lower than budgeted spending in 2009/10 will be transferred to a Special Reserve to support the achievement of permanent savings reductions.

An adjustment has been made in the recharge from revenue salaries to capital (£48k).

VARIATIONS FROM DECEMBER REPORT

REVENUE VARIATIONS (- = less cost)		REVENUE					
		2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015
Bid No.	Scheme	£000	£000	£000	£000	£000	£000
	DECEMBER DRAFT	22,873	25,039	23,664	23,359	20,686	20,361
307	Wheelie bin replacements		-260	-85	-85	-85	-85
	Stray Dog Kennels		6	6	6	6	6
	Environmental Health Savings			2	2	2	2
	Housing and Planning Delivery Grant	-580					
	Conservation Grants	-7					
	Parks R&R Fund Revenue/Capital transfer	-60					
896	St Ivo LC - Football Improvements	16	16				
636	RLC Fitness Equipment	-21					
922	St Ivo Redevelopment	-43	-41				
897	St Ivo outdoor energy generation	12					
	Unidentified Leisure Savings Target	-16	2	49	73	126	103
863	Community Facilities Grants						60
	Ramsey Library (£120k capital receipt 2010/11)			-12	-12	-12	-12
	Mortgages fall out	13	15	15	16	17	18
912	Concessionary Fares - Grant increase		-120	-120	-120	-120	-120
	Concessionary Fares - Transfer to County			120	120	120	120
	NNDR - Riverside Car Park	15	15	15	15	15	15
938	Centenary House Rental	64					
891	Business Systems						78
	Desktop Replacements (T/F to Capital)	-20					
	Emarketplace rephasing	4	3	4	-3	-3	-3
	Accrued leave requirement withdrawn	-150					
	VAT refund	100					
	Turnover Allowance		250	250	250		
	VAT Partial exemption	-130	-130	-130	-130	-130	-130
	Recharges to Capital		48	48	48	48	48
	Catch Up inflation adjustment	-23	-62	-62	-62	-62	-62
	Inflation		50	-70	-238	185	250
	2009/10 Forecast	153					
	Interest	-3	94	352	62	13	36
	Borrowing Costs	5	-75	-386	-75	-18	4
	Unidentified Savings				-100	1,489	653
	Transfer to Special Reserve	1,200					
THIS REPORT		23,401	24,848	23,660	23,127	22,278	21,342

FUNDING VARIATIONS (- = less used or available)							
DECEMBER DRAFT		22,873	25,039	23,664	23,359	20,686	20,361
	Use of Revenue Reserves	506	-193	-424	-896	898	113
	Government Support		-19	334	575	609	781
	Collection Fund Deficit	22	-35				
	Council Tax (increased base)		56	86	89	85	87
THIS REPORT		23,401	24,848	23,660	23,127	22,278	21,342

CAPITAL VARIATIONS (- = less cost)		NET CAPITAL					
		2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000
	DECEMBER DRAFT	14,109	9,439	8,045	4,070	5,221	5,003
	Parks R&R Fund Revenue/Capital transfer	60					
897	St Ivo outdoor energy generation	-127	127				
863	Community Facilities Grants	38	-18				
363	Ramsey Transport Strategy	-41			41		
876	Small Scale - District Wide Partnership	7					
	Additional Car Park Charges (net)		31				
938	Centenary House Rental	-64					
892	Government Connect		20				
	Desktop Replacements (T/F to Capital)	20					
	Emarketplace	6					
	Ramsey Library (£120k capital receipt 2010/11)		-10				
	Wheelie bins		144	132	151	195	252
	Capital Inflation		77	-35	-200	124	-53
THIS REPORT		14,008	9,810	8,142	4,062	5,540	5,202

ANNEX D

FINANCIAL SUMMARY	FORECAST	BUDGET	MTP				FORECAST									
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2009/10 BUDGET/MTP	23,378	25,286	25,687	25,306	23,149	24,001	24,890	25,817	26,785	27,796	28,650	29,752	30,901	32,103	33,358	34,869
Variations	-1,177	-437	-2,027	-2,179	-871	-2,659	-3,080	-3,409	-3,764	-4,145	-4,551	-4,987	-5,452	-5,950	-6,483	-7,051
Contribution to Special Reserve	1,200															
NEW FORECAST	23,401	24,848	23,660	23,127	22,278	21,342	21,811	22,408	23,021	23,651	24,099	24,765	25,449	26,153	26,875	27,818
FUNDING																
Use of revenue reserves	-3,758	-4,671	-3,719	-2,720	-1,613	-112	0	0	0	0	200	200	200	200	200	0
Remaining revenue reserves EOY	15,835	11,164	7,445	4,725	3,112	3,000	3,000	3,000	3,000	3,000	3,200	3,400	3,600	3,800	4,000	4,000
Government Support	-12,572	-12,939	-12,411	-12,620	-12,620	-12,936	-13,259	-13,590	-13,930	-14,278	-14,635	-15,001	-15,376	-15,761	-16,155	-16,559
Collection Fund Deficit	-49	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	-7,022	-7,274	-7,529	-7,786	-8,044	-8,294	-8,552	-8,817	-9,091	-9,373	-9,664	-9,964	-10,273	-10,592	-10,921	-11,260
COUNCIL TAX LEVEL	£121.15	£124.17	£127.26	£130.43	£133.68	£137.01	£140.42	£143.92	£147.50	£151.17	£154.93	£158.79	£162.74	£166.79	£170.94	£175.20
£ increase		£3.02	£3.09	£3.17	£3.25	£3.33	£3.41	£3.50	£3.58	£3.67	£3.76	£3.86	£3.95	£4.05	£4.15	£4.26

Forecast Capital Spending	14,008	9,810	8,142	4,062	5,540	5,202	5,409	5,641	5,831	5,996	6,160	6,328	6,487	6,650	6,821	6,992
Accumulated Borrowing EOY	14,023	23,176	30,443	33,443	37,809	41,689	45,626	49,635	53,661	57,666	61,636	65,563	69,422	73,204	76,902	80,498
Net Interest and Borrowing Costs																
- total	-1,052	104	730	1,374	1,762	2,209	2,552	2,906	3,275	3,656	4,047	4,441	4,847	5,263	5,691	6,133
- as % of total net spending	-4%	0%	3%	6%	8%	10%	12%	13%	14%	15%	17%	18%	19%	20%	21%	22%
Unidentified Spending Adjustments still required	0	0	-1,000	-2,600	-4,200	-6,119	-6,663	-7,194	-7,570	-8,062	-8,626	-9,005	-9,334	-9,991	-10,280	-10,594

FINANCIAL PLAN - SENSITIVITY AND RISKS

The financial forecast model has been used to demonstrate the impact that variations in investment rates, borrowing rates and increases in pay will have in specific years.

SPENDING ADJUSTMENTS REQUIRED IN YEAR **	2011/12	2014/15	2019/20	2024/25
	£000	£000	£000	£000
	£M	£M		
Already required by MTP/Financial Plan	+1.0	+5.8	+8.5	+10.5
Implications of other changes				
1.5% pay award in 2011/12 and 2% in 2012/13	+0.1	+0.4	+0.5	+0.6
0.5% extra pay award per year from 2013/14 onwards	+0.0	+0.3	+1.1	+2.4
Extra 0.5% inflation per year 2010/11 onwards	+0.0	+0.1	+0.2	+0.3
1% higher interest rates 2010/11 onwards &&	-0.1	+0.1	+0.3	+0.5
0.5% extra employers pension contributions increase for 6 years from 2011/12.	+0.1	+0.3	+0.3	+0.4
1% cash decrease in Government Grant in 2011/12, 2012/13 and 2013/14	+0.1	+0.4	+0.4	+0.5

** The examples give the impact in the designated year but funding the impact of any increased costs before those points would increase the accumulated spending adjustments required.

Inflation, other than pay, is fairly neutral as long as fees and charges are increased in line with it. If pay awards increase by more than forecast then further efficiency improvements would be needed to meet the impact.

The impact of investment rates is significantly diminished until borrowing begins to grow over the Medium Term. In the short term any spare funds will be used to temporarily delay the need to borrow externally.

Other Risks

Risks and Unknowns	Timescale
Impact of St Ives Guided Bus	Spring 2010
Government capping decision	May each year
Length and depth of recession – impact on interest rates, pay inflation, house building, Council income and expenditure.	ongoing
Government grant totals for 2011/12 to 2013/14 (may be delayed by election)	November 2010
Grant formula changes (may be delayed by election)	November 2010
Grant impact of Concessionary Fares transferring to County	November 2010
Pension Scheme revaluation	December 2010

Most of these risks are more likely to be adverse than beneficial.

Reduction in the availability of other Government Grants due to the national economic situation e.g. Housing and Planning Delivery Grant.

Inflation on Capital Schemes of 2.5% per year has been included in total within the plan. There have been examples of high tender prices on specific schemes but there is little objective data on which to base a higher inflation allocation or even to estimate a suitable contingency sum so no additional provision has been included. The Pathfinder House figures are now predominantly fixed prices.

There is no provision for any demographic growth in services. Pressures will emerge due to additional housing and increased longevity over the plan period.

Most budgets are based on 97.5% of salary due to the expectation of savings from staff turnover. This is not being achieved and extra provision has been included to cover part of the impact.

Leisure Centre income is around £5M per year and certain facilities are in direct competition with the private sector. If income was lost it would be difficult to reduce expenditure by an equivalent sum in the short term. In addition the financial plan incorporates a substantial challenge for leisure centres to reduce their net cost by £1M per year. This may not be achieved.

The Medium Term Plan is based on the assumption that further spending adjustments of £6.1M are required by 2014/15. If these are not identified promptly there is the possibility that revenue reserves will have been used before they are achieved thus exacerbating the problem.

Reserves are planned to fall to a minimum level of £3M before being gradually increased to £4M by the end of the Forecast period.

Conclusion

Spending Adjustments of a further £6.1M by 2014/15 and £10.6M by 2024/25 are required by the financial plan and there is potential for this to increase, particularly if economic recovery is delayed, savings are difficult to achieve or the Government reduces grants by even more than anticipated.

Prompt action is therefore necessary to take maximum advantage of the remaining time provided by remaining reserves to identify optimum adjustments which should have less impact on service levels. Achievement of the MTP will become increasingly uncertain in the future without an established list of achievable adjustments that can be implemented as the need is confirmed.

FINANCIAL PLAN - FUTURE LEVEL OF RESERVES

The MTP is based on net spending falling from £24.8M in 2010/11 to £21.3M by 2014/15 (Gross spending will be approaching £90M of which about £35M is reimbursed by the Government for Housing and Council Tax benefits). Reserves are expected to fall to £3M by 2014/15.

Adequate reserves are critical for various reasons:

Inflation

If pay awards, inflation and pension rates were 1% more than expected in 2014/5, and there was not the time or ability to increase fees and charges to mitigate it, the cost would be about £600k

Cash Flow

Changes to the profile of when the Government pays the Council its Government Grant and other payments (e.g. housing and Council Tax benefit)

Major failure of the computer systems for billing and recovering Council Tax, NNDR or other income. Impact is exaggerated because this Council takes the risk of late collection for the whole sum on Council Tax and NNDR for the area which amounts to £135M at present and would grow to, say, £156M by 2014/15.

One month's loss of interest is forecast to be around £550k.

Non achievement of Spending Adjustments

Spending adjustments of £6.1M are still to be identified by 2014/15.

Emergency/Disasters

The impact of a disaster to the public (e.g. flooding or a plane crash) is restricted by the Government paying 85% of any cost in excess of £36k but the Council would still need to fund the total cost pending reimbursement. A Council disaster (e.g. the Council's computers or offices catching fire), would not receive government funding but certain aspects are insured such as alternative accommodation and lost income at Leisure Centres. There would still be a need to fund the costs "up front" and there is no cover for the cost of lost cash flow.

Unplanned Spending

This would include items like planning inquiries. Whilst unlikely to recur the cost of the Alconbury Inquiry was in excess of £2M.

Loss of income

Changes in economic activity can have a significant impact on development control fees, building control fees and land charges.

Leisure Centre income could suffer if a new private Fitness Company aggressively entered the market.

Invest to Save

In order to meet the spending adjustments and to manage the authority effectively there will be a number of opportunities that require investment in order to increase service provision for no additional long term cost or to maintain provision but at a lower long term cost. Reserves are therefore required to allow a modest level of this to occur.

Capping

Whilst capping continues there is no opportunity to use increased levels of Council Tax to replenish reserves. Higher reserves are therefore needed to allow savings to be achieved to replenish them in a planned and controlled way so that the impact on service delivery is minimised. It should be assumed that any significant financial shortfall may take 3 to 4 years to resolve.

Conclusion

It is difficult to arrive at a scientific calculation of a minimum figure for reserves. Whilst the unexpected items are unlikely to all occur in the same year and may be reduced by compensating favourable changes the remaining level of unidentified spending adjustments and the manner in which capping tends to force immediate rather than best solutions means there is a need to hold significant reserves to cover the period until compensating adjustments are achieved or capping relaxed.

The consequences of reaching a position where there are insufficient reserves can be draconian as it can result in the Council being required to cease paying staff and creditors for a period.

Our current reserves (£15.8M at March 2010) are clearly well above the necessary levels to cover these risks but it is considered that £3M is a sensible minimum level and that the Financial Plan continues to be based on this minimum level with provision for it to rise gradually to £4M by 2024/25.

RESERVES AND THE ROBUSTNESS OF THE 2010/11 BUDGET

The Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the 2010/11 budget and the adequacy of reserves when you consider it and the consequent Council Tax.

Robustness

The Council has tended in recent years to underspend its budget. This demonstrates that it has budgeted prudently and that managers have taken a mature approach to budgetary control rather than simply spending any spare sums on low priority items. There are signs of this reducing due to the ongoing identification of required budget savings and the uncertain size and duration of the current recession.

The Internal Audit and Risk Manager considers that our internal financial controls are working adequately. There is also a sound system of financial monitoring and identification of any necessary budget variations that feeds into the budget/MTP process.

The 2010/11 budget has been prepared using the budget for 2009/10 as a base, and amending it for known changes, particularly:

- Inflation but only a 1% provision for pay awards – the most significant element.
- The impact of MTP schemes
- Future interest rates.

There will always be some items that emerge after the budget has been prepared. These are normally met by compensating savings elsewhere in the budget, or, if necessary, the use of revenue reserves.

The most significant potential risks to the budget are:

- Higher inflation or pay awards
- Further reductions in income due to the recession
- non-achievement of planned savings
- failure of a borrower
- an emergency (e.g. flooding)
- Reduction in the availability of Government Grants due to the national economic situation e.g. Housing and Planning Delivery.

Reduced Income

A 1% loss of income from fees, rents and charges would amount to around £180k but adjustments to the 2010/11 budget to reflect lower expectations already include Car Parking due to St Ives Guided Bus (£40k) and Industrial Rents (£60k).

Planned Savings

Planned savings for 2010/11 include a number of areas that have not been completed. These include some of the savings on Leisure Centres, £250k of unspecified grant income and the transfer or closure of public toilets.

Treasury Management

The maximum permitted with one counterparty is £12M but this is only possible where £6M of the sum is held in a liquidity account with that body. Liquidity Accounts allow recovery of investments on the same working day which substantially reduces the risk. Thus the practical limit is probably £6M which is limited to bodies with the highest credit rating or Building Societies with more than £2 billion in assets.

Emergencies

Certain types of eventuality are mitigated in other ways. Many significant risks are insured against, so losses are limited to the excesses payable. The Government's Bellwin Scheme meets a large proportion, over a threshold, of the costs of any significant peacetime emergencies (e.g. severe flooding).

Inflation

A ½% increase in general and pay inflation, assuming no compensating increase in fees and charges was possible, would result in a net cost of approximately £180k.

Interest Rates

A change in interest rates is currently not significant.

Revenue Reserves

These are estimated to be £15.8m at April 2010 and reduce to £11.2m by March 2011 in order to support revenue spending. This is still significantly above what would be considered a safe minimum level when considering 2010/11 in isolation but clearly not excessive given their planned use over the next few years.

Therefore, even if a number of unexpected additional costs emerged there would still be sufficient funding to cover the deficit for 2010/11.

Conclusion

Considering all these factors, I believe that the combination of a robust budget process and our current level of reserves should give Members no concerns over the Council's financial position for 2010/11.

However it is critical that significant time is invested in planning the spending adjustments for future years to avoid the Council being rushed into sub-optimum decisions as its reserves are run down.

Terry Parker
Director of Commerce and Technology

BUDGET SUMMARY	2009/10		2010/11
	Original	Forecast	Budget
	£000	£000	£000
Environmental Services			
Refuse Collection	3,576	3,193	3,372
Recycling	837	813	282
Drainage & Sewers	580	537	572
Public Conveniences	251	214	18
Environmental Health	2,575	2,247	2,545
Closed Churchyards	18	12	11
Street Cleaning & Litter	1,407	1,271	1,368
	9,244	8,287	8,168
Planning			
Development Control	1,391	1,231	1,197
Building Control	259	100	164
Planning Policy & Conservation	1,592	1,411	1,532
Economic Development	-660	-638	-601
Planning Delivery Grant	70	-579	35
	2,652	1,525	2,327
Community Services			
Countryside	672	642	631
Tourism	150	137	142
Community Initiatives	908	864	799
Parks	1,871	1,634	1,746
Leisure Policy	482	466	468
Leisure Centres	3,530	3,010	2,887
Community Facilities	194	38	141
	7,807	6,791	6,814
Community Safety			
Community Safety	1,058	945	1,031
	1,058	945	1,031
Housing Services			
Housing Services	897	914	959
Private Housing Support	2,526	2,016	2,300
Homelessness	574	513	538
Housing Benefits	842	1,016	1,191
	4,839	4,459	4,988
Highways & Transportation			
Transportation Strategy	1,152	455	1,234
Public Transport	760	1,042	964
Highways Services	101	99	96
Car Parks	-447	-448	-526
Environmental Improvements	442	438	421
	2,008	1,586	2,189
Corporate Services			
Local Taxation & Benefits	1,484	1,113	1,228
Corporate Management	1,848	1,709	1,739
Democratic Services	1,364	1,367	1,432
Central Services	466	553	549
Non Distributed Costs	256	232	250
	5,418	4,974	5,198
Other Expenditure			
Contingency	-677	-149	-484
Other Expenditure	-8,436	-3,824	-5,415
Investment Interest and Borrowing Costs	-535	-1,010	108
Unallocated Grants	0	-183	-76
	-9,648	-5,166	-5,867
Council Total	23,380	23,401	24,848

SERVICE BUDGET		2009/10		2010/11
		Budget	Forecast	Budget
		£000	£000	£000
Environmental Services				
Refuse Collection	Abandoned Vehicles	82	58	59
	Domestic Refuse	3,486	3,118	3,295
	Trade Refuse	8	17	18
		3,576	3,193	3,372
Recycling	Recycling	879	880	370
	Recycling Sites	-41	-67	-88
		838	813	282
Drainage & Sewers	Internal Drainage Boards	354	343	358
	Nightsoil Collection	10	10	10
	Watercourses	216	184	204
		580	537	572
Public Conveniences	Public Conveniences	251	214	18
		251	214	18
Environmental Health	Air Quality	109	98	109
	Animal Welfare	165	167	178
	Caravans And Camping	6	0	0
	Contaminated Land	181	153	175
	Eh Health & Safety	274	237	243
	Energy Efficiency	338	351	405
	Environmental Health General	12	11	-4
	Food Safety	502	440	483
	Health Promotion	46	33	48
	Licences	195	100	156
	Nuisances	346	314	335
	Pest Control	152	128	135
	Private Sector Housing	232	201	267
	Travellers	16	14	15
			2,574	2,247
Closed Churchyards	Closed Churchyards	18	12	11
		18	12	11
Street Cleaning & Litter	Littering	171	54	69
	Street Cleaning	1,236	1,217	1,299
		1,407	1,271	1,368
Environmental Services		9,244	8,287	8,168
Planning				
Development Control	Dc Advice	467	696	729
	Dc Application Processing	650	298	222
	Dc Enforcement	274	237	246
		1,391	1,231	1,197
Building Control	Bc Promotion & Enforcement	272	208	235
	B Regs Applications	-12	-108	-71
		260	100	164
Planning Policy & Conservation	A14 Inquiry	200	100	153
	Conservation & Listed Build	205	168	136
	Local Plan	746	663	740
	Planning Projects/Implement	251	276	305
	Trees	189	204	198
		1,591	1,411	1,532

SERVICE BUDGET		2009/10		2010/11
		Budget	Forecast	Budget
		£000	£000	£000
Economic Development	Business & Enterprise Support	254	253	260
	Markets	-37	-56	-50
	NNDR Discretionary Relief	28	53	29
	Property Development And Mgt	-1,102	-1,025	-1,068
	Town Centre Management	198	137	228
		-660	-638	-601
Planning Delivery Grant	Planning Grant Unallocated	70	-579	35
		70	-579	35
	Planning	2,652	1,525	2,327
Community Services				
Countryside	Barford Road Pocket Park	10		
	Countryside Management	216	265	260
	Hinchingbrooke Country Park	283	232	222
	Paxton Pits	119	104	106
	Miscellaneous Countryside sites	44	41	43
		672	642	631
Tourism	Tourism	150	137	142
		150	137	142
Community Initiatives	Community Projects	208	94	99
	Community Initiatives Mgt	222	227	221
	Equal Opportunities	39	34	38
	Sustainable Communities	65	63	69
	Miscellaneous Grants	374	446	372
	Oxmoor Action Plan	0		
		908	864	799
Parks	Parks & Open Spaces	1,814	1,568	1,690
	Pavillions	51	53	53
	Unallocated Land Survey	6	13	3
		1,871	1,634	1,746
Leisure Policy	Arts Development	178	179	157
	Leisure Development	284	287	311
	Policy And Strategic Mgt	20	0	0
		482	466	468
Leisure Centres	One Leisure Huntingdon	785	567	562
	One Leisure Ramsey	644	448	445
	One Leisure Sawtry	580	518	497
	One Leisure St Ives	1,147	667	708
	One Leisure St Neots	903	718	666
	Leisure Centres Overall	-529	92	9
		3,530	3,010	2,887
Community Facilities	Leisure Grants	171	16	120
	Priory Centre	23	22	21
		194	38	141
	Community Services	7,807	6,791	6,814

SERVICE BUDGET		2009/10		2010/11
		Budget	Forecast	Budget
		£000	£000	£000
Community Safety				
Community Safety	C C T V	765	675	701
	Community Safety	293	270	330
		1,058	945	1,031
	Community Safety	1,058	945	1,031
Housing Services				
Housing Services	Choice Based Lettings (Ex Chr)	62	103	105
	Housing Advice	350	242	255
	Housing Strategy	145	311	327
	Waiting List	313	224	235
	Other housing services	28	34	37
		898	914	959
Private Housing Support	Home Improvement Agency	98	76	84
	Housing Associations	1,235	765	783
	Housing Surveys	23	25	26
	Renovation/Improvement Grants	1,169	1,150	1,407
		2,525	2,016	2,300
Homelessness	Accommodation For Homeless	104	73	70
	Homelessness Management	279	288	311
	Homeless Prevention	92	53	56
	Hostel Support	99	99	101
		574	513	538
Housing Benefits	Housing Benefits Admin	953	1,014	1,126
	Rent Allowance Local Scheme	23	18	18
	Rent Allowance National Scheme	-262	-91	-53
	Temporary Accommodation Support	127	75	99
		841	1,016	1,191
	Housing Services	4,838	4,459	4,988
Highways & Transportation				
Transportation Strategy	Cycling	33	25	29
	Environmental Management	0		
	Transportation Management	113	137	160
	Transport Schemes	1,006	293	1,045
		1,152	455	1,234
Public Transport	Bus Shelters	72	76	96
	Bus Stations	102	100	72
	Concessionary Fares	586	866	796
		760	1,042	964
Highways Services	Street naming	101	99	96
		101	99	96
Car Parks	Car Park Assets	108	98	116
	Car Park Management	-679	-590	-753
	Car Park Policy	124	44	111
		-447	-448	-526
Environmental Improvements	Env Imps Management	105	102	83
	Environmental Imps Schemes	337	336	338
		442	438	421
	Highways & Transportation	2,008	1,586	2,189

SERVICE BUDGET		2009/10		2010/11
		Budget	Forecast	Budget
		£000	£000	£000
Corporate Services				
Local Taxation & Benefits	Council Tax	1,186	857	891
	Council Tax Benefits	259	291	339
	N N D R Administration	39	-35	-2
		1,484	1,113	1,228
Corporate Management	Chief Executive & Management Team	809	774	800
	External Audit	126	151	153
	Public Accountability	807	667	669
	Treasury Management	106	117	117
		1,848	1,709	1,739
Democratic Services	Corporate Committees	446	515	538
	Member Allowances & Support	918	852	894
		1,364	1,367	1,432
Central Services	Elections	379	436	514
	Emergency Planning	67	69	70
	Land Charges	20	48	-35
		466	553	549
Non Distributed Costs	Pensions	256	232	250
		256	232	250
	Corporate Services	5,418	4,974	5,198
Other Expenditure				
Contingency	Efficiency Savings Contingency	-242	-141	-255
	Other Contingencies	-435	-8	-229
		-677	-149	-484
Other Expenditure	Capital Charges Reversed	-7,137	-5,592	-6,787
	Commutation Transfer	-18	-18	0
	Pensions Liabilities Reversed	-1,421	1,229	1,229
	V A T Partial Exemption	140	0	143
	Contribution to special reserve	0	1,200	0
	Other income	0	-643	0
		-8,436	-3,824	-5,415
Investment Interest and borrowing costs		-535	-1,010	108
Unallocated grants		0	-183	-76
		0	-183	-76
	Other Expenditure	-9,648	-5,166	-5,867
COUNCIL TOTAL		23,380	23,401	24,848

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MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2011	2012	2013	2014	2009/	2009/		2010	2011	2012	2013
Service Bid Scheme No.	2008/ 2009 £000	2009/ 2010 £000	2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2009/ 2010 £000	2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000		
DIRECT SERVICE COSTS (Excluding capital costs and staff recharge)																	
ENVIRONMENTAL SERVICES																	
Refuse Collection and Recycling																	
		Recycling Gate Fees				-250	-217	-217	-217	-217							
	650	Recycling Credits				-17	-34	-34	-34	-34							
		Charges for Refuse Bins				-8	-8	-8	-8	-8							
		Provision for Bin Replacements				-260	-85	-85	-85	-85	144	132	151	195	252		
						-535	-344	-344	-344	-344							
			2,303	2,407	2,390	1,991	2,182	2,182	2,182	2,182	144	132	151	195	252		
Drainage & Sewers																	
			365	417	408	425	425	425	425	425							
Public Conveniences																	
	302	New Public Conveniences									217	100					
		Maintenance of Toilets			-30	-30											
		Transfer to other Councils/bodies				-156	-156	-156	-156	-156							
						-156	-156	-156	-156	-156							
			100	156	140	0	0	0	0	0	217	100					
Environmental Health & Strategy																	
	308	Stray Dog Kennels			-5	-5	1	1	1	1	15						
	911	House Condition Survey				-10	40	-10	-10	-10							
		Air Quality Monitoring Equipment				-20	-30				20	30					
		Additional Charges				-2	-2	-2	-2	-2							
	879	Environment Strategy Funding			55	55	55	55	55	55	50	69	50	55	55	55	55
	880	Sustainable Homes Retrofit			15	15	15	10			120	202	40	-470			
	881	Climate Change Adaptation Study			15	15	15										
	882	Energy and Water Efficiency			25	25	20	20	20								
	883	Decentralised and Renewable Energy - District Appraisal			25	25											
	915	St Neots ESCO Study				50											
	918	Building Efficiency Improvements (Salix Grant)					-25	-58	-77	-103				100	58	77	78
	918	Building Effic. Imps (Potential LC prportion)					12	29	38	51				-50	-29	-38	-39
	676	Taxi Survey			20												
						174	31	35	5	-8							
			77	202	87	206	63	67	37	24	185	271	110	-335	84	94	94

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2010	2011	2012	2013	2014	Budget		Outturn	2010	2011	2012
Service Bid Scheme No.	2008/2009 £000	2009/2010 £000	2009/2010 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2009/2010 £000	2009/2010 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
Closed Churchyards			6	5	5	5	5	5	5								
Street Cleaning and Litter			929	948	923	982	982	982	982	982							
PLANNING																	
Development Control																	
901	Planning Fees - reduced income			50	50												
			-807	-931	-875	-996	-996	-996	-996	-996							
Building Control																	
			-424	-517	-521	-526	-526	-526	-526	-526							
Planning Policy and Conservation																	
465	Local development framework inquiry			116	116	-5	-5	-5	-5	-5							
903	Local Development Framework examinations					200	200	100									
904	Community Infrastructure Levy - Preparations					30	30										
739	Proposed use of Planning Delivery Grant (part)			15	15	5	5										
	Conservation Grants				-7	-20	-20	-20	-20	-20							
358	Ramsey Rural Renewal			12	12	5	5	3		52	20	43					
852	Corporate Commercial Property Advice			15	15	15											
853	Huntingdon Town Hall			10	10	10											
907	St Neots Sustainable Urban Extension - Suppl. Plan					25			-20								
908	Huntingdon Town Centre - Retail Strategy Support					30		-15	-15								
875	A14 Inquiry			200	51	149											
909	Great Fen Project - Governance arrangements				10	20	20	20	20								
						464	235	83	-40	-25							
			279	552	506	655	426	274	151	166	52	20	43				
Markets																	
			-129	-156	-154	-161	-161	-161	-161	-161							

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2011	2012	2013	2014	Budget	Outturn		2011	2012	2013	2014
Service Bid Scheme No.	2008/2009 £000	2009/2010 £000	2009/2010 £000	2010/2011 £000	2011/2012 £000	2012/2013 £000	2013/2014 £000	2014/2015 £000	2009/2010 £000	2009/2010 £000	2010/2011 £000	2011/2012 £000	2012/2013 £000	2013/2014 £000	2014/2015 £000		
Economic Development																	
851	Empty Property Rates on Council Units				30	30	30	30	30								
	Industrial Rents - shortfall		80	120	60												
239	New Industrial Units					-37	-65	-65	-65	935	469	575					
239	Earmarked Capital Receipt already received									285	285						
657	Creative Industries Centre, St Neots							-30	-6								
509	Industrial Estate Repairs									31	26						
401	Huntingdon Town Centre Development				86								552	334			
224	Town Centre Developments										21		210	64			
850	Huntingdon West Development (Housing Growth Fund)																
703	Heart of Oxmoor									-300	87	-1,829					
365	Huntingdon Marina Improvements									54		62					
					176	-7	-35	-65	-41								
					-1,100	-1,235	-1,117	-1,143	-1,326	-1,354	-1,384	-1,360	1,005	888	-1,192	762	398
Planning Delivery Grant																	
47	739 Proposed use of Planning Delivery Grant (part)		70		35	35											
	Additional Housing & Planning Grant (net of saving req)			-580													
					35	35											
					-252	70	-580	35	35								
COMMUNITY SERVICES																	
Community Facilities																	
863	Community Facilities Grants (Part)									105	50	37	69	69	69	69	
			16	81	21	82	82	82	82	82	105	50	37	69	69	69	69
Tourism																	
			39	48	43	43	43	43	43	43							
Countryside																	
807	Hinchingbrooke Park - Café extension		-16	-16	-33	-50	-50	-50	-50								
855	St Neots Green Corridor (Housing Growth Fund)																
					-33	-50	-50	-50	-50								
			468	500	509	496	479	479	479	479							
Community Initiatives																	
863	Community Services Grants (Part)		60	80	74	60	60	60	60								
	Ramsey Library Development					-6	-6	-6	-6			-5					
					74	54	54	54	54								
			569	472	506	443	423	423	423	423			-5				

MEDIUM TERM PLAN			REVENUE							NET CAPITAL											
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP							
			2008/ 2009 £000	2009/ 2010 £000	2009/ 2010 £000		2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2009/ 2010 £000		2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000		
Service Bid Scheme No.																					
Parks and Open Spaces																					
	808	Huntingdon Riverside		5								510	50								
	854	Play Equipment & Safety Surface Renewal										82	155	69	62	73	67	60			
		Parks R&R (Rev/Cap Transfer)			-60								60								
	914	Pavillion Repairs and Renewals					8	8	8	8											
							8	8	8	8											
							-59	13	-66	4	12	12	12	12	592	265	69	62	73	67	60
Leisure Policy																					
	845	Physical Activity Initiatives for Adults		13	13	32															
		Arts Development Service				-29	-70	-135	-135	-135											
						3	-70	-135	-135	-135											
						305	317	318	315	242	177	177	177								
Leisure Centres																					
	856	Sawtry Car Park										52	52								
	724	Fitness Equipment Sawtry LC					-10	-15	-15	-15					242						
	857	St Neots LC Development		-30		-83	-193	-233	-267	-267	1,300	1,634	1,233						316		
	858	Huntingdon LC Development				-16	-31	-42	-107	-109								250			
	859	Huntingdon LC Car Park Extension									85	65									
	860	Huntingdon LC Reception Modernisation									50	50									
	636	RLC Fitness Equipment		-1		-1	-5	-5	-5	-5	190		190								
	896	St Ivo LC - Football Improvements		-16		-16	-32	-32	-32	-32	206	-57									
	922	St Ivo LC Redevelopment		-39			-407	-422	-437	-452	745		2,700								
	897	St Ivo - Outdoor energy generation		-12		-12	-12	-12	-12	-12	127		127								
	861	Future maintenance		91	91	63	42				1,149	1,312	52	676	375	375	375	375			
	22	CCTV Improvements									12	22	10								
		Leisure Savings Target not yet identified		-79	-191	-375	-48	-49	29	6											
		Estimated need to rephase target				248	350	50	25												
						-90	-646	-785	-845	-885											
				1,085	1,040	1,190	974	417	279	218	179	3,916	3,078	4,312	918	375	625	691			

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
			2008/ 2009 £000	2009/ 2010 £000	2009/ 2010 £000		2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2009/ 2010 £000		2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000
Service Bid Scheme No.																	
COMMUNITY SAFETY																	
Community Safety																	
	864	Crime and Disorder - Lighting improvements									23	44	24	23	24	25	25
	865	CCTV - Camera replacements									81	95	81	81	81	75	82
	384	CCTV Extension of coverage										5					
			535	549	578	617	617	617	617	617	104	144	105	104	105	100	107
HOUSING SERVICES																	
Housing Services																	
	702	Mobile Home Park, Eynesbury									-168		-168				
		Mortgage Fall-out			13	15	15	16	17	18							
			31	28	35	29	29	30	31	32	-168		-168				
Private Housing Support																	
	866	Disabled Facilities Grants									1,050	803	1,000	800	800	800	800
	70	Housing Needs Survey		5	5	5											
	867	Repairs Assistance			10	10	10	10	10	10	200	140	190	190	190	190	190
	730	Housing Need Study					8	8	8	8							
		Decent Homes - Thermal Efficiency and Category 1 H&S										-92					
	869	Social Housing Grant									991	500	500	500	500	500	500
		Social Housing Grant (externally funded)															
	910	Safer Homes Scheme				25	25	25	25	25							
						15	43	43	43	43							
			-66	-17	-6	0	28	28	28	28	2,241	1,351	1,690	1,490	1,490	1,490	1,490
Homelessness																	
		Priority Needs Scheme (End of temporary Savings)					42	42	42	42							
							42	42	42	42							
			168	206	219	220	262	262	262	262							
Housing Benefits																	
	813	Reduction in Benefits Admin Grant				34	68	103	103	103							
						34	68	103	103	103							
			-608	-564	-785	-632	-598	-563	-563	-563							

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
			2008/ 2009 £000	2009/ 2010 £000	2009/ 2010 £000		2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2009/ 2010 £000		2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000
Service Bid Scheme No.																	
HIGHWAYS & TRANSPORTATION																	
Transportation Strategy																	
	870	Local Transport Plan									93	93	83	83	83	83	89
	871	Safe Cycle Routes									93	90	286	93	93	95	95
	872	St Neots Transport Strategy Phase 2									90	10	90	90	90	80	
	873	Accessibility Improvement /Signs in footpaths and car parks									35	35	35	35	30	30	30
	351	St Neots Pedestrian Bridges											537				
	874	Huntingdon Transport Strategy									80	63	80				
	362	St Ives Transport Strategy									82	80	140				
	363	Ramsey Transport Strategy									45	2	45	45	41		
			60	101	81	93	93	93	93	93	518	373	1,296	346	337	288	214
Public Transport																	
	912	Concessionary Fares (incl. grant increase)			365	280	-457	-457	-457	-457							
		Transportation Grants				-10	-10	-10	-10	-10							
	818	Railway Stations - Improvements									29	20	26				
	899	Bus Shelters - extra provision				7	10	10	10	10	41	6	41	41	42	42	
	625	Huntingdon Bus Station									900	32	890	-150	-150		
						277	-457	-457	-457	-457							
			806	543	938	833	99	99	99	99	970	58	957	-109	-108	42	
Highways Services																	
	844	Street naming and numbering		10	10	5	5										
						5	5										
			40	38	43	34	34	29	29	29							
Car Parks																	
	166	St Neots - Cambridge Road Car Park		4	4	4	4	4	4	4	89	9	80				
	461	Car Park Repairs										15			86	120	31
	480	Implementation of car park strategy				-15	-39	-73	-107	-141							
		St Ives Guided Bus impact on car park income			10	40	40	40	40	40							
	923	Extra Car Parking, Huntingdon Town Centre						168	129	38			380	3,000	-50		
		Additional Car Park Charges (net)				-100	-125	-125	-125	-125			31				
		NNDR - Riverside Huntingdon			15	15	15	15	15	15							
						-56	-105	29	-44	-169							
			-815	-1,029	-961	-1,073	-1,122	-988	-1,061	-1,186	89	24	491	3,000	36	120	31

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MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2011	2012	2013	2014	2009/	2009/		2010	2011	2012	2013
Service	Bid	Scheme	2008/ 2009	2009/ 2010	2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	2009/ 2010	2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015
No.			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Environmental Improvements																	
	52	St Ives Town Centre 2 - Completion									425	3	10	20	425	509	
	876	Small Scale - District Wide Partnership									79	65	79	79	79	80	60
	877	AJC Small scale improvements									86	86	86	86	86	90	86
	878	Village Residential Areas										20	57	57	60	60	76
	489	St Neots and Eynesbury										90					
	920	East of Sapley - Preliminary Costs			10	5										-15	
						5											
			40	37	47	46	41	41	41	41	590	264	232	242	635	739	222
CORPORATE SERVICES																	
Local Taxation and Benefits																	
	813	Reduction in Benefits Admin Grant				11	23	34	34	34							
						11	23	34	34	34							
			-891	-890	-854	-822	-810	-799	-799	-799							
Corporate Management																	
51		Mobile Communications Van				-4	-4	-4	-4	-4		-15					
		Savings - Pensions Increase end of extra cost					-18	-18	-18	-18							
						-4	-22	-22	-22	-22							
			779	815	847	855	837	837	837	837		-15					
Democratic Representation																	
	885	District Council Elections - No elections every fourth year		-67	-67					-80							
	825	Members Allowances Review				5				6							
	826	Electoral Administration Act				8				8							
						13				-80	14						
			523	563	590	601	588	588	508	602							
Central Services																	
	824	Land Charges - Cost variations			31		-19	-19	-19	-19							
							-19	-19	-19	-19							
			60	-68	51	51	32	32	32	32							

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2010	2011	2012	2013	2014	Budget		Outturn	2010	2011	2012
Service	Bid	Scheme	2008/ 2009	2009/ 2010	2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	2009/ 2010	2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015
No.			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
OTHER EXPENDITURE																	
Investment Interest and Borrowing Costs																	
		Interest		-1,099	-1,046	-354	-445	-664	-587	-534							
		Interest (adjustment)					4	11	12	7							
		Borrowing early		-54	-54	-54	-54	-52	-34								
		Cost of borrowing		618	47	512	1,221	2,076	2,367	2,735							
		Cost of borrowing (adjustment)					3	2	2	1							
						104	729	1,373	1,761	2,209							
			-2,498	-545	-1,011	104	730	1,373	1,761	2,209							
Contingencies & Provisions																	
		VAT Partial Exemption		35	-85	-84	-75	-75	-75	-75	212	187	377	39	27	40	40
		Contingencies		-3	22	10	3	3	3	3							
		Revenue Inflation			-205	886	1,745	2,503	3,514	4,118							
		Temporary non-achievement of T/O allowance				250	250	250									
		Spending Adjustments still to be identified				0	-1,000	-2,599	-4,200	-6,119							
52		Schemes brought forward		250	274	274	274	274	274	274	700	700	700	700	700	500	500
		Schemes carried forward		-250	-274	-274	-274	-274	-274	-274	-700	-700	-700	-700	-500	-500	-500
						1,062	923	82	-758	-2,073							
			0	-676	-148	-522	-661	-1,502	-2,342	-3,657	212	187	377	39	227	40	40
Other Income & Expenditure (incl. Area Based Grants)																	
		Commutation Adjustment		-18	-18						18	18					
		Contribution to Special Reserve			1,200												
			-195	140	356	67	67	67	67	67	18	18					
TOTAL DIRECT SERVICES			1,739	3,620	3,753	4,331	3,074	2,637	1,789	879	10,646	6,976	8,598	6,720	3,872	3,869	3,270

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
			2008/ 2009 £000	2009/ 2010 £000	2009/ 2010 £000		2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2009/ 2010 £000		2009/ 2010 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000
Service Bid Scheme No.																	
Network Services																	
		Desktop Replacements (T/F to Capital)			-130	-130	-130	-130	-130		130	130	130	130	130	130	130
		IMD Savings				-33											
	891	Business Systems		49	74	77	132	122	122	98	282	195	270	208	240	160	180
	902	VOIP Data Switches			-18						20						
	898	Server Virtualisation and Network Storage		-33		-33	-33	-33	-33	-33	215	160	55				
	892	Government Connect					22	22	22	22	35	23	20				
	913	Web Advertising income shortfall			-35	-4											
			510	674	485	522	636	626	626	602	532	528	475	338	370	290	310
Development Team																	
	913	Web Advertising income shortfall			29	29	28	25	25	25							
			303	195	262	232	231	228	228	228							
Information Manager																	
	841	Building Control - Public Access System									15						
			258	298	256	261	261	261	261	261	15						
Business Analysis																	
	900	Working Smarter			42	41					174	113	120				
	893	VoIP Telephony for Leisure Centres		8	4	8	8	8	8	8	70	25	45				
	842	Resourcelink - Recruitment Module											10				
	634	Customer First			30	34					73	50	16				
	494	Voice and data infrastructure									13	50					
			310	366	395	409	334	334	334	334	330	238	191				
Head of IMD			186	189	189	201	201	201	201	201							
			2,128	2,415	2,069	2,163	2,176	2,163	2,163	2,139	1,009	1,049	813	460	492	412	432
Leisure																	
Management Unit			191	218	206	212	212	212	212	212							
CENTRAL SERVICES																	
Director																	
Management Unit			162	169	170	176	176	176	176	176							
Central and Democratic																	
Management Unit																	
		Central Services Staff Saving (part)			-11	-11	-11	-11	-11	-11							
			721	842	788	854	854	854	854	854							

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2010	2011	2012	2013	2014	Budget		Outturn	2010	2011	2012
Service Bid Scheme No.	2008/2009 £000	2009/2010 £000	2009/2010 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2009/2010 £000	2009/2010 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
Document Centre																	
	380	Replacement Printing Equip.									315	85	230				
	894	Replacement Equipment Document Centre									26	5	29	17	5	53	17
	895	Multi-functional Devices		-18	-12	-12	-12	-12	-12		33	38	15	43	38	20	43
	916	Replacement Scanning Eqpt. - Customer Services										9	33				9
			562	564	582	588	588	588	588	588	374	137	307	60	43	73	69
Other			26	33	0	0	0	0	0	0							
			1,309	1,439	1,370	1,442	1,442	1,442	1,442	1,442	374	137	307	60	43	73	69
Law, Property and Governance																	
Management Unit																	
		Temporary Reinstatement of saving		12	12	0	0	0	0	0							
		Central Services Staff Saving (part)			-5	-5	-5	-5	-5								
			462	493	474	508	508	508	508	508							
			462	493	474	508	508	508	508	508							
Policy, People and Partnerships																	
Management Unit																	
		Deletion of Modern Apprentices		-40	-40	-40	-40	-40	-40								
		Central Services Staff Saving (part)			-89	-71	-64	-64	-64								
			1,139	1,235	1,138	1,186	1,193	1,193	1,193	1,193							
HR			149	172	189	182	182	182	182	182							
Payroll			12	123	18	18	18	18	18	18							
			1,300	1,530	1,345	1,386	1,393	1,393	1,393	1,393							
ENVIRONMENTAL AND COMMUNITY SERVICES																	
Director																	
Management Unit			158	160	170	172	172	172	172	172							
Housing																	
Management Unit			999	1,073	1,074	1,120	1,120	1,120	1,120	1,120							
Environment and Community Health																	
Management Unit			1,424	1,554	1,497	1,599	1,599	1,599	1,599	1,599							

MEDIUM TERM PLAN			REVENUE							NET CAPITAL							
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP			
				Budget	Outturn		2010	2011	2012	2013	2014	Budget		Outturn	2010	2011	2012
Service Bid Scheme No.	2008/2009 £000	2009/2010 £000	2009/2010 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2009/2010 £000	2009/2010 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
Operations																	
Management Unit																	
		CCTV Reorganisation			-32	-72	-72	-72	-72								
			1,247	1,337	1,284	1,340	1,340	1,340	1,340	1,340							
Grounds Maintenance			858	831	860	871	871	871	871	871							
Vehicle Maintenance			198	207	205	212	212	212	212	212							
Other			21	28	28	29	29	29	29	29							
			2,324	2,403	2,377	2,452	2,452	2,452	2,452	2,452							
Planning																	
Management Unit																	
	655	Electronic Document Imaging					17	21	21	21							
	739	Proposed use of Planning Delivery Grant (part)		157	157	67	26										
	656	Planning Enforcement Monitoring Officer					23	27	27	27							
			2,371	2,356	2,391	2,377	2,376	2,358	2,358	2,358							
Other			28	11	2	2	2	2	2	2							
			2,399	2,367	2,393	2,379	2,378	2,360	2,360	2,360							
Environmental Management																	
Management Unit (including HQ Project)																	
	831	Technical Services Restructuring		18	18	19	-23	-62	-62	-62							
			1,561	1,707	1,654	1,771	1,729	1,690	1,690	1,690							
Offices																	
	889	Eastfield House		-1	-1	3	3	3	3	3							
	890	Headquarters		-136	-52	25	95	95	95	95	5,002	4,967	-115	2	-1,810		
		Reinstatement of one-off saving in 2008/09		100	100	100	100	100	100	100							
			696	696	977	980	1,050	1,050	1,050	1,050	5,002	4,967	-115	2	-1,810		
Pool Cars			16	18	18	19	19	19	19	19							
			2,273	2,421	2,649	2,770	2,798	2,759	2,759	2,759	5,002	4,967	-115	2	-1,810		
MANAGEMENT UNITS & INTERNAL SUPPORT SERVICES TOTAL			19,679	21,468	21,047	21,778	21,816	21,742	21,739	21,715	6,396	6,210	1,011	522	-1,275	485	501

MEDIUM TERM PLAN			REVENUE							NET CAPITAL								
			Actual	Original	Forecast	Budget	MTP				Original	Forecast	Budget	MTP				
				Budget	Outturn		2011	2012	2013	2014	2009/	2009/		2010	2011	2012	2013	2014
Service	Bid	Scheme	2008/ 2009	2009/ 2010	2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	2009/ 2010	2009/ 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	
No.			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Recharges outside of revenue (mainly to capital)																		
Recharges																		
		Rule change re Capital Overheads			188	162	162	162	162	162			-143	-117	-117	-117	-117	
		Revenue staff charged to capital (adjustment)				48	48	48	48	48								
		Revenue staff charged to capital			-100	-140	-100	-50	-50	-50	100	140	100	50	50	50	50	
			-1,468	-1,708	-1,396	-1,260	-1,210	-1,210	-1,210	-1,210								
			-1,468	-1,708	-1,396	-1,260	-1,210	-1,210	-1,210	-1,210	100	-3	-17	-67	-67	-67	-67	
Technical items not yet allocated to services																		
		Capital Inflation													199	283	396	489
	919	E-Marketplace (part) Savings allocated				-15	-15	-15	-15	-15								
	919	E-Marketplace (part) Savings to be allocated					-18	-39	-39	-39								
	886	Vehicle fleet replacements.									654	825	218	768	1,249	857	1,009	
		VAT reclaim			-680													
		Roundings			-4	-5	-3	-5	-7	-5	-6							
			0	0	-3	-1	-20	-43	-41	-42	654	825	218	967	1,532	1,253	1,498	
01	NET BUDGET		19,950	23,380	23,401	24,848	23,660	23,126	22,277	21,342	17,796	14,008	9,810	8,142	4,062	5,540	5,202	

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CABINET

11 February 2010

2010/11 TREASURY MANAGEMENT STRATEGY (Report by the Head of Financial Services)

1. INTRODUCTION

- 1.1 This Treasury Management Strategy ensures that the Authority has clear objectives for the management of its borrowing and investments. It is also needed to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Treasury Management **Code** of Practice, which is required by the Council's Code of Financial Management.
- 1.2 As a result of the collapse of the Icelandic banks in October 2008 treasury management has had a higher profile with the Government, CIPFA and the Audit Commission. In May 2009 the Communities and Local Government Select Committee published a report which was followed by interim guidance from the Audit Commission and, in November, CIPFA produced a revised **Code** of Practice.
- 1.3 The Department for Communities and Local Government (DCLG) is currently consulting on revised **Guidance** on local authority investments, which is expected to apply from April 2010 onwards. It reiterates the expectation in the existing 2004 guidance that Council approves an investment strategy before the start of each financial year. The primary change is an emphasis on using a wider range of information to assess counterparty credit quality.
- 1.4 The **Guidance** emphasises that priority must be given to the security (protecting the capital sums from loss) and liquidity of investments (keeping enough cash readily available) rather than the interest earned. The **Code** covers the same point by requiring the effective management and control of risk.
- 1.5 When the Government removed its limits on capital expenditure levels some years ago it introduced the concept of a Prudential Code which pulled together a number of indicators relating to capital expenditure, external debt and treasury management. Its purpose was to demonstrate that the Council's capital expenditure plans were affordable and it provided a set of limits, to be complied with, and indicators to be monitored during the forthcoming year. This Council has always treated the Prudential Indicators as an annex to the Treasury Management Strategy. The new **Code** reclassifies three of these Prudential Indicators as Treasury Management Indicators.
- 1.6 The proposed Strategy (attached as Annex A) complies with the **Code** and the **Guidance** as currently being consulted on. If the final **Guidance** issued by DCLG differs materially from the draft, then

further modifications will be considered.

- 1.7** The Code requires the Council to nominate where the responsibility for scrutinising Treasury Management will be undertaken. It is proposed that this remains with the Economic Well-being Overview and Scrutiny Panel, as at present.
- 1.8** The Capital Receipts Advisory Group discussed the report with officers on the 25 January and their comments have been incorporated in the Strategy. Overview and Scrutiny will consider the report on the 4 February and their comments will be available to the Cabinet. Full Council is then required to formally approve the Strategy and associated indicators.

2. RECOMMENDATION

- 2.1** Cabinet is requested to recommend to Council that it approves
- a) The Treasury Management Strategy for 2010/11
 - b) The Treasury Management Indicators and Prudential Indicators for 2010/11
 - c) That scrutiny of Treasury Management be carried out by the Economic well-being, Overview and Scrutiny Panel.

BACKGROUND PAPERS:

Background files in Accountancy Section: Treasury Management Reports
Reports on the 2010/11 Budget and Medium Term Plan to Cabinet and Council

CIPFA's Treasury Management in the Public Services Code of Practice 2009

ODPM Guidance on Local Government Investments March 2004

CLG Draft Guidance on Local Government Investments November 2009

Contact Officer:

Steve Couper Head of Financial Services (01480) 388103

TREASURY MANAGEMENT STRATEGY 2010/11

Treasury Management is:

- Ensuring the Council has sufficient cash to meet its day-to-day obligations
- Borrowing when necessary to fund capital expenditure, including borrowing in anticipation when rates are considered to be low
- Investing any surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest.

This Strategy explains how Treasury Management will be carried out in Huntingdonshire. It meets the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice (2009), as required by the Council's Code of Financial Management, and the Government's Guidance on Local Government Investments (2004) and draft guidance (2009)

BACKGROUND

The bank base rate fell to 0.5% in March 2009 and has remained at that level ever since; economists generally agree that it will inevitably rise but significantly disagree on by how much and how soon! The Authority has benefitted in two ways during this period of low rates:

- it has had a significant value (though now reduced) of fixed term investments at rates fixed when interest rates were significantly higher.
- the contract with the Council's bank, NatWest, provided interest of 1.75% on credit balances in the current account to set against bank charges. Unfortunately the contract ends in March 2010 and the tenders received are not so generous.

Against the background of low interest and reducing revenue and capital balances the Council has sought to maximise the returns from its investments whilst minimising the risks of investing with a borrower that is or may become unsound. It therefore adopted a strategy for 2009/10 that did not concentrate its investments with the Government's Debt Management Office which are theoretically risk-free, as they are backed by the Government, but with a significantly below base interest rate, and instead concentrated on highly rated institutions and the larger Building Societies.

The 2009/10 Strategy allowed for borrowing in anticipation of need to fund capital expenditure although that option has not so far been used this year.

CURRENT POSITION

The Council's position as at 31 December 2009 was:

INVESTMENTS	Principal Amount £m	Average Interest Rate %
Investments - maturing 2009/10	20	3.26
Investments - maturing 2010/11	5	4.10
Investments - maturing later	10	4.44
Total	35	3.72
Short term Debt	0	-
Long term Debt	10	3.90
Total	10	3.90
Net Investments	25	3.64

THE COUNCIL'S FINANCIAL STRATEGY

The table below, from the Council's Budget/MTP report, shows:

- how revenue reserves will fall to the basic level needed as a contingency against unexpected events,
- that capital reserves have effectively been used to fund capital expenditure,
- how borrowing will be required to meet planned capital expenditure. When this is carried out will depend on how low interest rates are perceived at any point in time. Hence "must" borrow levels reflect using other funds to delay until the last moment whilst "may" borrow levels show maximum borrowing in anticipation.

FORECAST	2009/10 ⑤ £M	2010/11 £M	2011/12 £M	2012/13 £M	2013/14 £M	2014/15 £M
Revenue Reserves	15.8	11.3	7.7	5.0	3.3	3.0
Capital Reserves	0	0	0	0	0	0
Provision for repaying loans		0.3	0.8	1.5	2.3	3.3
Earmarked Reserves ①	4.9	4.5	4.1	3.7	3.7	3.7
Total Reserves (EOY)	20.7	16.1	12.6	10.2	9.3	10.0
Planned Capital Expenditure	14.0	9.8	8.1	4.1	5.6	5.2
Funded from:						
new capital receipts	0.4	0.4	0.4	0.4	0.4	0.4
borrowing	13.6	9.5	7.8	3.7	5.2	4.9
Borrowing (accumulated)						
To be funded from borrowing ⑥	14.0	23.5	31.3	35.0	40.2	45.1
Already borrowed	10.0	10.0	10.0	10.0	10.0	10.0
"Must" borrow ②	0	7.4	13.7	14.8	20.9	25.1
"May" borrow ③	36.5	35.1	40.1	45.1	50.1	55.1
Budget ④						
Net Interest	-1.1	-0.2	0.2	0.7	0.9	1.2
Borrowing repayments		0.3	0.5	0.7	0.8	1.0

Notes

- ① includes specific earmarked reserves (e.g. S106 and R&R Funds)
- ② takes account of fact that the £5m of the 10M borrowed in anticipation is invested until December 2012 and £5M to December 2013.
- ③ based on the original budget approved for the year and that capital to be funded post 2014/15 is £5M per year.
- ④ Based on no further borrowing in anticipation
- ⑤ Forecast
- ⑥ Includes £0.4M funded from borrowing in 2008/09.

BORROWING - CASH FLOW

In addition to the fundamental movements described above there are day-to-day impacts due to the flow of funds into and out of the Council. For instance, the dates on which the County Council is paid its portion of the council tax will be different to the days the money is physically received from Council Tax payers. These cash flows will sometimes leave the Council with several million pounds to borrow or to invest overnight or for a few weeks pending the next payroll or precept date.

Authorities are permitted to borrow short term for this purpose and funds are obtained from whoever is quoting the lowest rate for the period required. If rates are particularly high on a particular day then the sum may be borrowed overnight to see if rates are lower the following day for the remainder of the period required.

BORROWING - CAPITAL

The amount and period of capital borrowing up until March 2011 will be dependent upon the actual levels of interest rates and how high or low they are perceived to be in a long term sense.

BORROWING – IN ANTICIPATION

Although further borrowing is not **required** until part way through 2010/11 to fund the Capital Programme, effective treasury management requires a view to be taken on whether long term rates are judged to be low, even if the funds have then to be invested until the money is required, as this could be the lowest overall cost for the Council. For example, if long term rates fell to 3.5% we would be likely to move towards our “may” borrow limits as soon as possible whilst if long term rates were 5% and it were perceived that future rates would be lower, only the “must” borrow limits would be followed and, even then, the sums would be borrowed for a short period rather than locked into a long term arrangement.

Such early borrowing is permitted if it is for planned capital expenditure. The definition of planned expenditure is not precise and has therefore been discussed with our external auditor who is comfortable with the interpretation of it being amounts included in our approved MTP. Hence, the current figure is £36.5M but this will increase to £45.1M for next year once the new MTP is approved in February.

However since such amounts will need to be invested temporarily until spent, the Council faces the risks of loss of the invested sum if the wrong counterparty is chosen and that borrowing rates may fall in the intervening period. The counterparty risk is considered within the investment section below and a range of interest rate possibilities would be considered before borrowing to minimise the chance of adverse movements removing the anticipated benefit.

Rates for 40+ years PWLB money have not been particularly low and so it is unlikely that there will be any significant early borrowing at the longer end of the range but history has shown that violent fluctuations can occur and there needs to be the freedom to act when this occurs.

The Council's reserves will be used to delay capital borrowing if this appears to be the most cost effective approach.

BORROWING - PROFILE

When the Council borrows it must make an annual charge to its accounts to provide for the permanent repayment of the loan over the life of the asset funded (e.g. land and buildings up to 50 years, vehicles 5 to 7 years) so if the loan is for a shorter period the risk of rates being higher when it is replaced must be considered. For this reason it is important that debt is spread over a variety of periods so that the Council is not vulnerable to short term interest rate fluctuations when it is replaced.

Much of our borrowing will tend to be from the Public Works Loans Board (PWLB) which is a Government Agency providing funds to local authorities at interest rates slightly higher than the cost of central government borrowing. They provide a range of options including fixed and variable rate loans for up to 50 years. Commercial bodies have become more involved in lending to local authorities though their products are generally for shorter periods and include embedded options. The most common is a LOBO, where the lender retains an option to increase the interest rate after a number of years and the borrower has the right to repay if the new rate is not acceptable.

The Council will aim to spread any borrowing period for periods short of asset lives to avoid undue bunching of replacement dates.

Unless indications suggest that rates are tending to be low in absolute terms periods will be spread to minimise the chance of the wrong judgement being taken and/or variable rate loans will be taken.

INVESTMENTS - CATEGORIES

The guidance on Local Authority Investments categorises investments as 'specified' and 'non-specified'.

Specified investments are expected to offer relatively high security and/or liquidity. They are:

- in sterling (avoiding exchange rate fluctuations)

- due to be repaid within 12 months (minimising capital value fluctuations on gilts and CDs and minimising the period within which a counterparty might get into difficulty)
- not defined as capital expenditure in the capital finance regulations 2003 (e.g. corporate bonds and equities)
- with a body that is of high credit quality or it is made with the UK Government, or a local authority. (minimising the counterparty risk)

These include time-deposits for up to 1 year, which the Council uses frequently, but it should be noted that early repayment, before the due date is rarely possible and may require a release fee.

Non-specified investments include all other types of investment, for example corporate bonds and equities.

The Council is likely to use:

- Time Deposits of greater than 12 months.

The Council may use:

- Corporate Bonds, if returns are clearly better than time deposits, but such investments will only be made following a risk assessment and consultation on the proposed limits, procedures and credit ratings with the Capital Receipts Advisory Group. Use would be limited to Bonds that could be held to maturity thus avoiding fluctuations in capital value.

INVESTMENTS – HIGH CREDIT QUALITY

Previous guidance referred to an institution with a ‘high credit rating’; the draft guidance from the CLG changes this to ‘high credit quality’ to encourage local authorities to monitor other measures of an institution’s creditworthiness rather than just relying on credit ratings

CIPFA has issued guidance on possible sources of additional information in order to assess the credit worthiness of counterparties which are referred to below.

Whilst the Council will take some account of such additional information the main criteria for judging credit quality will be:

- Short term credit ratings (Definitions in Appendix A)
- Long-term credit ratings for any investment over 1 year. Rate increased from A- to AA-)
- The top 25 Building Societies irrespective of any credit rating they may hold. Building societies have a much higher proportion of their funds covered by retail savings so are less at the risk of market volatility and their regulatory framework and insolvency regime means that the Council’s deposits would be paid out before retail depositors. Experience in recent years includes a number of examples of the Government negotiating takeovers of weak societies by strong

ones. A number do not bother with credit ratings because they all have an eligibility certificate under the UK Government Credit Guarantee Scheme

- Reacting immediately to same day notifications from our treasury management advisors (Sterling Consultancy Services) of changes to credit ratings or “rating” watch” warnings. This will often result in the counterparty being immediately removed from our list unless the content of the rating agency report shows this would be inappropriate.
- Reacting immediately to any informal comments from our advisors in relation to market concerns.
- Credit Default Swap prices obtained from our advisors.

Financial statements and the financial press will not be systematically reviewed because the resources required are not available and it is expected that our advisors will make informal comments if they become aware of any significant items that affect our counterparty list. They also review our counterparty list every month.

INVESTMENTS – SPREADING THE RISK

Credit quality can never be absolutely guaranteed so to further mitigate risks there is a need to spread investments in a number of ways:

- By counterparty where this includes any institutions that are linked in the same group
- By Country and EU
- For Non-Specified and its categories.

These limits need to be a practical balance between safety and administrative efficiency and need to cope with the uncertainty of the amount of borrowing in anticipation. A table is therefore included in Appendix B which shows the limits for different levels of forward borrowing.

INVESTMENTS IN-HOUSE MANAGEMENT

CDCM currently holds £8M of investments and the remaining investments and borrowing are managed in-house. All of the investments previously arranged by CDCM are for fixed durations and will mature by September 2010 when the proceeds will be returned and will then be managed in-house.

Taking account of the Credit Quality and Spreading the Risk sections above Appendix B outlines the criteria for making investments.

There may be limited occasions, based on detailed cash flow forecasts, where some investments of more than a year might be made that do not relate to borrowing in anticipation. Allowance of £5M has been made for this in the investment limits.

Risk of counterparty failure can also be minimised by shortening the period of any time deposit. At the current time, partly reflecting the current interest rate structure time deposits are generally kept below one month. Advantage is also being taken of the interest rate on our current account and the availability

of liquidity accounts which are offering competitive rates for money on call i.e. it can be called back the same or next day if there was any concern about the institution.

The Council will need to approve a prudential indicator for the 'authorised limit for external debt'; which combines:

- temporary borrowing for cash flow purposes (£20M)
- long-term borrowing to fund capital expenditure (up to the £35M "may borrow" limit less £10M already borrowed)
- an allowance for other long-term liabilities, such as finance leases (£5M).

A maximum of **£60M** is therefore recommended.

ADVISORS

The Council appointed Sterling Consultancy Services as Treasury Management Advisors in January 2008, however responsibility for final decision making remains with the Council and its officers

The Advisor carries out the following role:

- advice on investment decisions,
- notification of credit ratings and changes,
- general information on credit quality and informal comment on particular institutions,
- advice on borrowing and opportunities to borrow early
- economic data and interest rate forecasts
- advice and guidance on relevant policies, strategies and reports,
- accounting advice,
- reports on treasury performance,
- training courses.

The quality of the service is controlled by regular contact between the Advisors and officers and tendering for consultancy services every three years.

MANAGEMENT

The Head of Financial Services and his staff, supported by the Council's professional advisor, will manage and monitor investments and borrowing.

The Capital Receipts Advisory Group (CRAG) consists of three members of the Cabinet. They are kept informed of relevant issues and consulted on any significant changes to the Strategy.

REPORTING AND SCRUTINY

The CIPFA Code requires that the body responsible for approving the budget also receives at least two reports during the year on treasury management. Therefore the Council will receive a six month report on the performance of the funds and an annual report on the performance for the year.

The Code also requires the Council to identify the body that will be responsible for the scrutiny of treasury management to ensure that it receives the appropriate focus. This is currently the Economic Well-being Scrutiny Panel who consider the Strategy at the same meeting that they comment on the proposed budget and MTP in February each year. It seems quite appropriate for them to be formally nominated to continue to carry out this role as required by the Code.

TRAINING

The needs of the Council's treasury management staff for training are assessed every 6 months as part of the staff appraisal process and additionally when the responsibilities of individual staff change.

The Code requires that Members charged with the governance of Treasury Management and those responsible for scrutiny have the necessary skills relevant to their responsibilities. Appropriate Member training to include the Economic Well-being Scrutiny Panel will be arranged in due course.

CHANGES TO THE STRATEGY

The strategy is not intended to be a strait-jacket but a definition of the upper limit of the level of risk that it is prudent for the Council to take in maximising the return on its net investments. Any changes that are broadly consistent with this Strategy and either reduce or only minimally increase the level of risk, are delegated to the Head of Financial Services, after consultation with the Capital Receipts Advisory Group, where of any significance. All other changes to the strategy must be approved by the full Council.

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

The Council's Treasury Management and Prudential Indicators are attached at Appendix C. They are based on data included in the budget report and this Strategy. They set various limits that allow officers to monitor its achievement. These indicators must be approved by the Council and can only be amended by the Council.

Definition of Credit Ratings

	Rating	Definition	Examples of counterparties
Short term (Fitch)	F1	Shares rated in this category have the most solid solvency levels and the highest stock liquidity and enterprise value in the market.	Royal Bank of Scotland/NatWest (F1+) Coventry Building Society
	F2	Shares rated in this category have very good solvency levels and stock liquidity and enterprise value in the market.	Co-operative Bank Skipton Building Society
	F3	Shares rated in this category have a combination of good or adequate solvency levels and stock liquidity and enterprise value in the market.	Newcastle Building Society
Long-term (Fitch)	AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk . They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	United Kingdom
	AA	Very high credit quality. 'AA' ratings denote expectations of very low credit risk . They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	HSBC Bank
	AA-	The institution is at the lower end of very high credit quality	RBS/NatWest Nationwide
	A	High credit quality. 'A' ratings denote expectations of low credit risk . The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.	Coventry Building Society
	A-	The institution is at the lower end of high credit quality	Skipton Building Society

**IN-HOUSE FUND MANAGEMENT
(IF NO FURTHER BORROWING IN ANTICIPATION)**

Duration of investments	No investment shall be longer than 5 years.														
Types of investments	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds														
Credit Ratings	Short term rating F1 by Fitch or equivalent Long-term rating of AA- by Fitch or equivalent if the investment is longer than 1 year (excluding Building Societies)														
Maximum limits per counterparty (group), country or non-specified category	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">F1+ or have a legal position that guarantees repayment for the period of the investment</td> <td style="text-align: right; vertical-align: top;">£5M</td> </tr> <tr> <td>F1</td> <td style="text-align: right; vertical-align: top;">£4M</td> </tr> <tr> <td>Building Society with assets over £2bn in top 25 (Currently 13)</td> <td style="text-align: right; vertical-align: top;">£5M</td> </tr> <tr> <td>Building Society with assets over £1bn if in top 25 (Currently 3)</td> <td style="text-align: right; vertical-align: top;">£4M</td> </tr> <tr> <td>Building Society with assets under £1bn in top 25</td> <td style="text-align: right; vertical-align: top;">£3M</td> </tr> <tr> <td>Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment.</td> <td style="text-align: right; vertical-align: top;">£5M</td> </tr> <tr> <td>BUT total invest with counterparty/group shall not exceed</td> <td style="text-align: right; vertical-align: top;">£8M</td> </tr> </table> <p>Limit for Non-specified investments</p> <ul style="list-style-type: none"> - £10M in time deposits more than one year - £5M in corporate bonds - £10M in total <p>Country limits</p> <p>-----UK Unlimited</p> <ul style="list-style-type: none"> - £6M in a country outside the EU - £10M in a country within the EU (excluding UK) - £20M in EU countries combined (excluding UK) <p>These limits will be applied when considering any new investment from 17 February 2010. Lower limits may be set during the course of the year or for later years to avoid too high a proportion of the Council's funds being with any one counterparty.</p>	F1+ or have a legal position that guarantees repayment for the period of the investment	£5M	F1	£4M	Building Society with assets over £2bn in top 25 (Currently 13)	£5M	Building Society with assets over £1bn if in top 25 (Currently 3)	£4M	Building Society with assets under £1bn in top 25	£3M	Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment.	£5M	BUT total invest with counterparty/group shall not exceed	£8M
F1+ or have a legal position that guarantees repayment for the period of the investment	£5M														
F1	£4M														
Building Society with assets over £2bn in top 25 (Currently 13)	£5M														
Building Society with assets over £1bn if in top 25 (Currently 3)	£4M														
Building Society with assets under £1bn in top 25	£3M														
Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment.	£5M														
BUT total invest with counterparty/group shall not exceed	£8M														
Benchmark	LGC 7 day rate														

INVESTMENT LIMITS FOR INCREASES IN BORROWING IN ANTICIPATION

	Level of Borrowing in Anticipation				Rating Constraints
from	£0M	£11M	£21M	£31M	
to	£10M	£20M	£30M	£40M	
BUILDING SOCIETIES					
Assets over £2bn	£5M	£5M	£6M	£6M	
Assets over £1bn	£4M	£4M	£5M	£5M	
Rest of top 25 by assets	£3M	£3M	£4M	£4M	
BANKS & OTHER INSTITUTIONS					
F1+ or legal status	£5M	£5M	£6M	£6M	AA- or legal status if more than 1 year
F1	£4M	£4M	£5M	£5M	AA- or legal status if more than 1 year
LIQUIDITY ACCOUNTS					
Limit in liquidity account	£5M	£6M	£6M	£6M	F1+or legal status
Limit with any other investments in institution	£8M	£9M	£9M	£9M	
NON-SPECIFIED INVESTMENTS					
Time Deposits over 1 year in total	£15M	£25M	£35M	£45M	
Corporate Bonds in total	£5M	£8M	£10M	£10M	Not yet determined
Total	£15M	£25M	£35M	£45M	
TERRITORIAL LIMITS					
UK	Unlimited				
EU (excluding UK)	£20M	£20M	£20M	£20M	
EU Country (other than UK)	£10M	£10M	£10M	£10M	
Any other Country	£5M	£5M	£5M	£5M	

**CIPFA Prudential Code for Capital Finance in Local Authorities
Prudential Indicators and Treasury Management Indicators for 2010/11**

CAPITAL EXPENDITURE

1. Actual and Estimated Capital Expenditure

	2008/9 Actual £000	2009/10 Forecast £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
Gross	19,962	17,592	17,629	9,260	6,829
Net	16,881	14,008	9,810	8,142	4,062

2. The proportion of the budget financed from government grants and council tax that is spent on interest.

The negative figures until 2009/10 reflect that the Authority is a net investor and so the interest earned is used to help fund the budget. In 2011/12 the borrowing costs exceed interest earned on investments

2008/09 Actual	2009/10 Forecast	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
-12%	-4%	0%	3%	6%

3. The impact of schemes with capital expenditure on the level of council tax

This calculation highlights the hypothetical impact on the level of Council Tax from changes to capital schemes (including their associated revenue implications) that are included in the budget/MTP.

The actual planned change in Council Tax is different because of the impact of significant non-capital variations, spending adjustments and the use of revenue reserves.

	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Increase	-£5.25	-£6.90	+£4.00
Cumulative	-£5.25	-£12.15	-£8.15

4. The capital financing requirement.

This represents the need for the Authority to borrow to finance capital expenditure. Whilst the Authority has revenue reserves it will not have to borrow for capital purposes but may do so:

31/3/09 Actual £000	2009/10 Forecast £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
447	14,033	23,493	31,285	34,997	40,187	45,039

5. Net borrowing and the capital financing requirement

'In order to ensure that over the medium term, net borrowing will only be for a capital purpose, the Authority should make sure that net external borrowing (borrowing less investments) does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.'

As long as the Council's reserves are sufficient to cover any shortfall that might occur on the revenue budget there will be no borrowing for revenue purposes, other than in the short term.

Revenue reserves are forecast at the end of the year to be:

2010/11 £11.3M

2011/12 £7.7M

2012/13 £5.0M

This should be more than adequate to cover any potential problems as long as unidentified spending adjustments are found by targeted dates.

EXTERNAL DEBT

**6. The actual external borrowing at 31 March 2009
£10m**

7. The authorised limit for external debt.

This is the maximum limit for borrowing and is based on a worst-case scenario. It reflects the Treasury Management Strategy which allows the Authority to borrow up to £36.5m in 2009/10 (based on the 2009/10 Treasury Management Strategy) and up to an aggregate of £45.1m in 2010/11 to finance capital expenditure shown to be financed from borrowing in the Medium Term Plan period if it appears that long term rates are attractive. There is a provision for financing capital from leases. The remainder of the limit relates to temporary debt for Cash Flow Purposes.

	2009/10 Limit £000	2010/11 Limit £000	2011/12 Estimate £000	2012/13 Estimate £000
Short term	20,000	20,000	20,000	20,000
Long Term	36,500	35,100	40,100	45,100
Other long-term liabilities (leases)	5,000	5,000	5,000	5,000
Total	61,500	60,100	65,100	70,100

8. The operational boundary for external debt.

This reflects a less extreme position. Although the figure can be exceeded without further approval it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded; it allows the management of the Council's day to day cashflow. The short term and long term elements of the operational boundary will be monitored separately.

	2010/11 Limit £000	2011/12 Estimate £000	2012/13 Estimate £000
Short term	15,000	15,000	15,000
Long term	35,100	40,100	45,100
Other long-term liabilities (leases)	5,000	5,000	5,000
Total	55,100	60,100	65,100

9. Adoption of the CIPFA Code

The Council adopted the 2001 edition of the CIPFA *Treasury Management Code of Practice*. Council will now adopt the 2009 edition of the Code

TREASURY MANAGEMENT INDICATORS

10. Exposure to investments with fixed interest and variable interest as a percentage of total investments. This indicator is set to control the Council's exposure to interest rate risk.

The Council is more likely to prefer the certainty of fixed rates and simply invest for shorter periods if it is concerned about the returns available. The percentage for variable rates is therefore set to reflect this.

	2010/11 Limit £000	2011/12 Estimate £000	2012/13 Estimate £000
Upper limit on fixed rate exposure	35,100	40,100	50,100
Upper limit on variable rate exposure	3,775	5,025	6,275

11. Borrowing Repayment Profile

The proportion of 2010/11 borrowing that will mature in successive periods. This indicator is set to control the Council's exposure to refinancing risk

The first table refers to temporary borrowing for cash flow purposes; 100% will mature in less than 12 months. Whilst long-term borrowing will often be for more than 10 years there are interest rate scenarios that might require shorter term borrowing on a temporary basis.

Cash flow borrowing	Upper limit	Lower limit
Under 12 months	100%	100%
12 months and within 24 months	0%	0%
24 months and within 5 years	0%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%

Funding capital schemes	Upper limit	Lower limit
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

12. Investment Repayment Profile

Limit on the value of investments that cannot be redeemed within 364 days i.e. by the end of each financial year. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

	2010/11 Estimate £M	2011/12 Estimate £M	2012/13 Estimate £M
Limit on investments over 364 days as at 31 March each year.	42,700	31,400	25,300

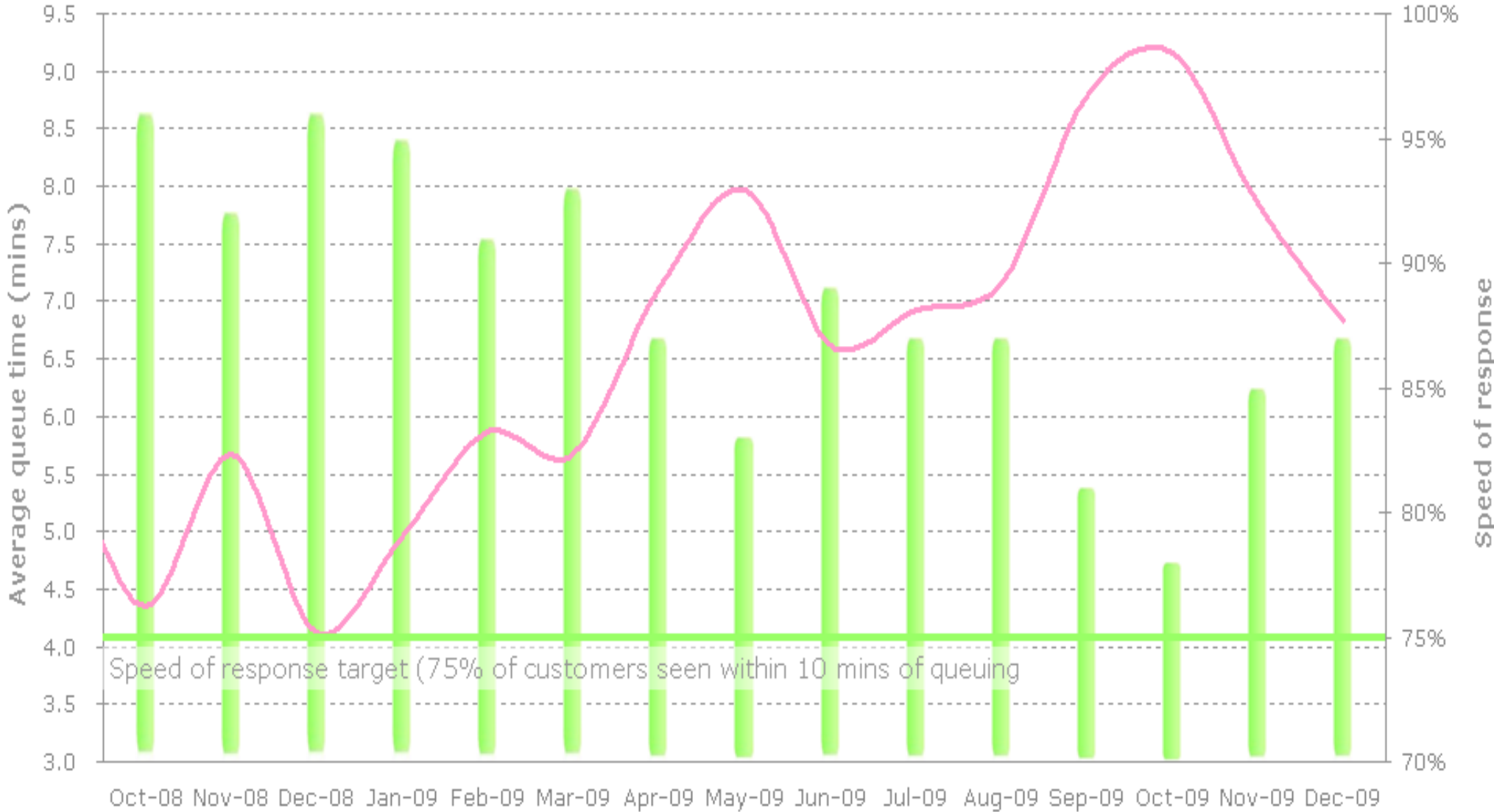
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**Quarterly Customer Service report for
the period October to December 2009**

Huntingdon Customer Service Centre Queue performance 2008/2009

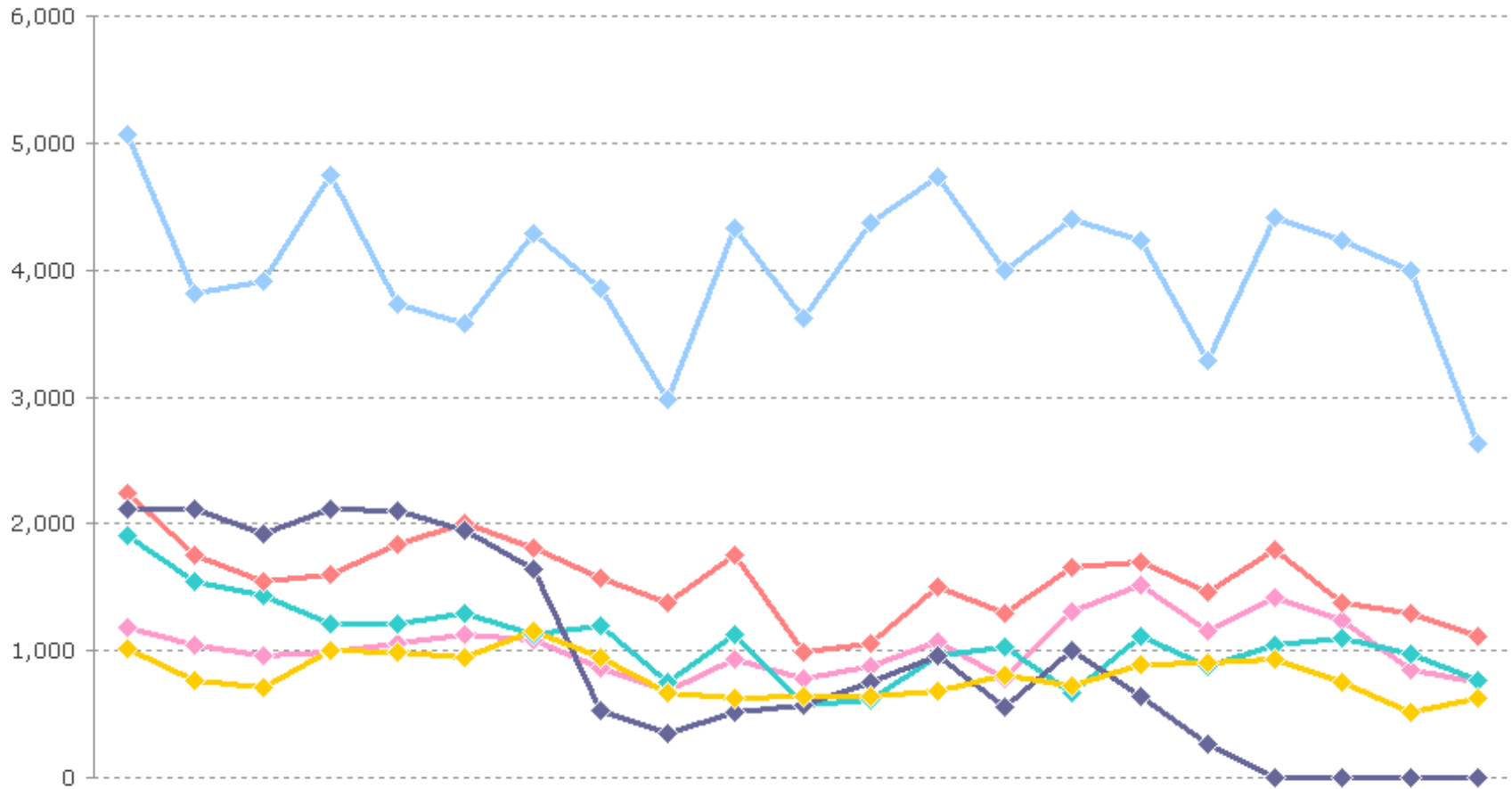
Speed of response
Average queue time (mins)

78



Speed of response target (75% of customers seen within 10 mins of queuing)

Customer Service Centres' enquiries per month



79

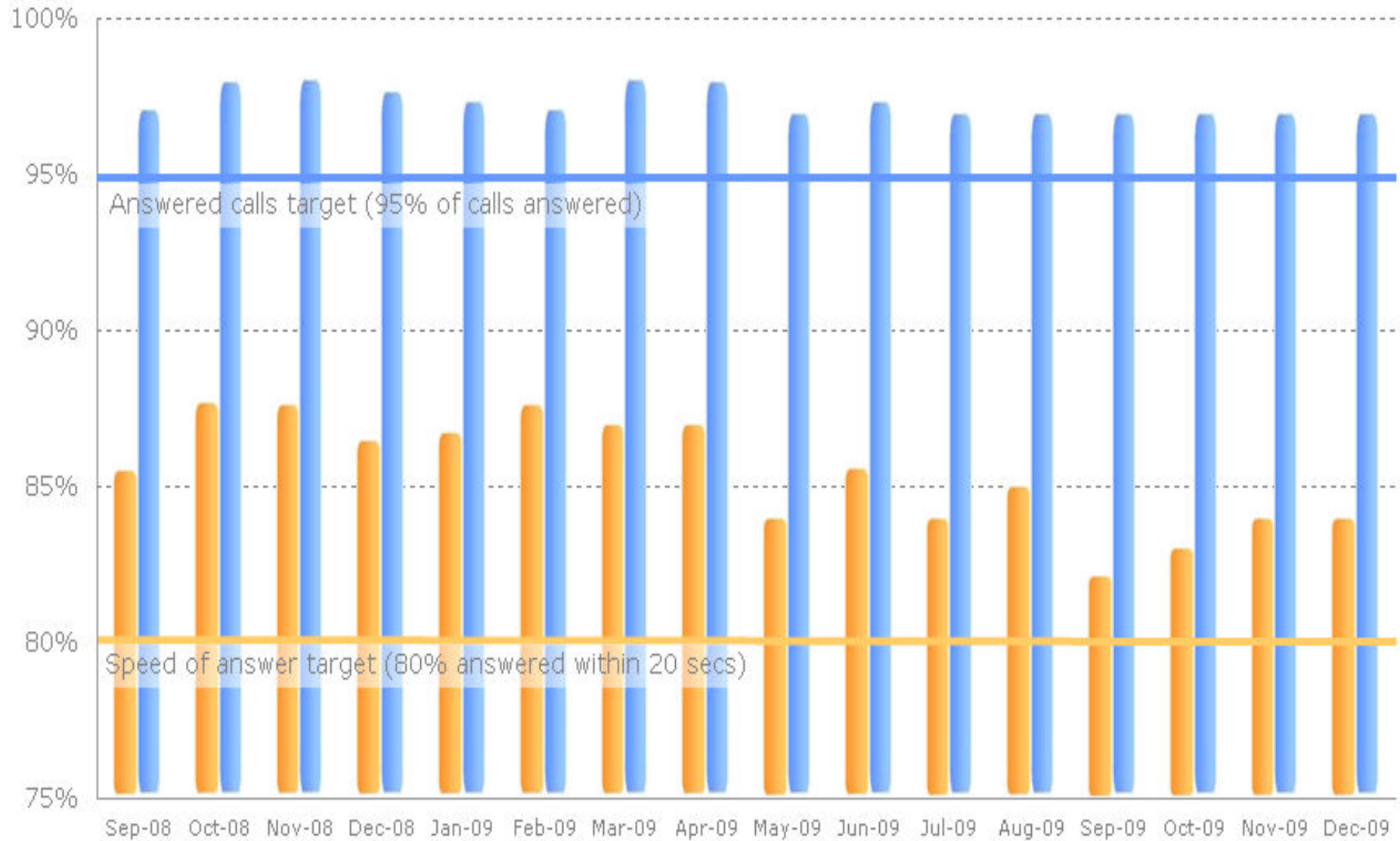
	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
—●— Huntingdon CSC	5,069	3,818	3,907	4,753	3,735	3,580	4,281	3,861	2,976	4,331	3,619	4,368	4,734	3,997	4,400	4,229	3,286	4,410	4,231	3,995	2,629
—◆— Ramsey CIC	1,182	1,047	961	994	1,063	1,128	1,080	870	676	934	782	879	1,074	786	1,315	1,512	1,152	1,416	1,244	847	746
—◆— St Ives CSC	1,909	1,552	1,440	1,210	1,217	1,296	1,124	1,200	746	1,124	570	609	956	1,032	674	1,113	871	1,040	1,099	973	770
—◆— St Neots CSC	2,241	1,756	1,551	1,606	1,831	2,008	1,808	1,579	1,373	1,758	994	1,056	1,506	1,295	1,657	1,693	1,467	1,794	1,372	1,300	1,116
—◆— St Neots TIC	2,110	2,118	1,918	2,121	2,099	1,943	1,644	532	354	522	577	756	963	554	1,004	639	270	0	0	0	0
—◆— Yaxley CIC	1,014	772	716	1,000	989	946	1,151	952	668	631	641	643	686	806	721	889	903	936	756	511	622

Customer Service Centre Enquiries

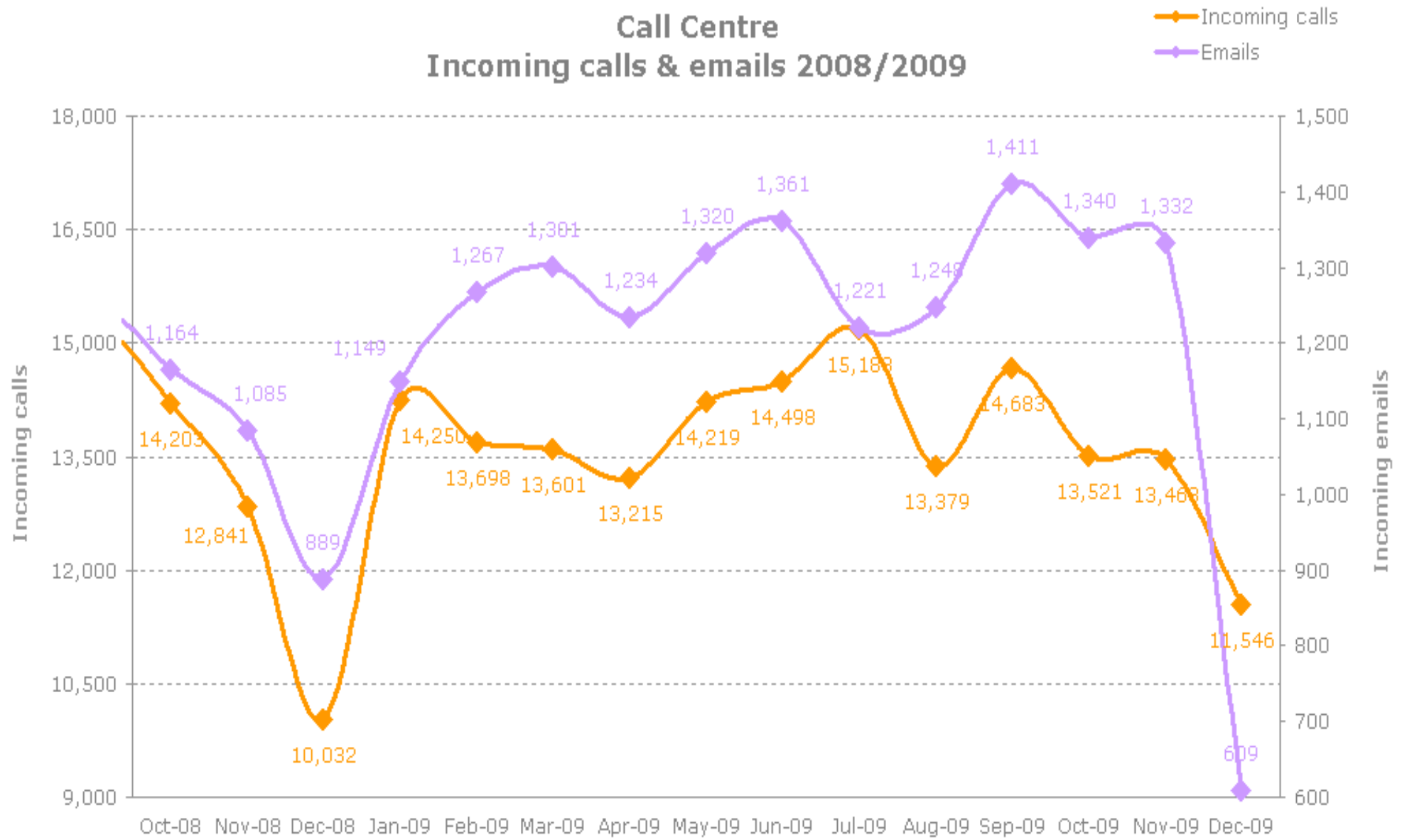
Service	Enquiry type	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Benefits	Casual caller														54	26
	Customer handled														1,905	1,437
	Unspecified	1,387	1,360	1,124	1,567	1,531	2,028	1,862	1,552	2,140	2,325	1,852	2,129	1,919		0
Council Tax	Casual caller														49	32
	Customer handled														263	204
	Unspecified	445	237	187	261	265	348	319	239	320	393	295	400	296		0
Employment	Casual caller														21	19
	Customer handled														49	30
	Unspecified	86	109	62	91	109	124	104	77	204	230	199	157	86		0
Equipment use	Casual caller														499	340
	Customer handled														106	79
	Unspecified	234	225	133	156	191	251	222	210	742	723	611	854	695		0
Housing	Casual caller														129	77
	Customer handled														923	586
	Unspecified	1,330	1,270	794	1,485	1,113	1,366	1,239	1,257	1,105	1,177	1,017	1,200	1,080		0
Leisure	Casual caller														5	2
	Customer handled														8	3
	Unspecified	84	64	31	58	46	62	71	71	43	44	15	24	32		0
Older Person	Casual caller														1	0
	Customer handled														32	22
	Unspecified	14	17	25	21	16	16	13	12	38	29	23	29	29		0
Other Enquiry	Casual caller														446	279
	Customer handled														20	128
	Unspecified	960	890	695	876	714	870	879	797	766	623	495	802	567		0
Partner External	Casual caller														80	192
	Customer handled														108	115
	Unspecified	780	667	471	627	614	574	665	418	471	402	330	386	682		0
Payment Debt	Casual caller														650	473
	Customer handled														1,248	1,028
	Unspecified	2,307	2,375	2,011	2,555	869	698	2,324	2,066	1,792	2,069	1,633	2,137	2,043		0
Planning	Casual caller														9	15
	Customer handled														116	113
	Unspecified	320	229	173	227	266	223	177	198	197	155	154	155	143		0
Public transport	Casual caller														137	120
	Customer handled														318	171
	Unspecified	742	667	356	637	575	688	799	547	614	750	586	503	470		0
Streetscene	Casual caller														144	99
	Customer handled														134	144
	Unspecified	387	331	265	248	295	377	392	425	384	381	332	421	388		0
Tourism	Casual caller														16	5
	Customer handled														105	79
	Unspecified	1,944	461	409	422	490	610	771	533	866	642	328	245	217		0
Vehicle	Casual caller														51	43
	Customer handled														0	18
	Unspecified	63	80	45	61	70	66	67	54	69	99	62	128	55		0
Younger Person	Casual caller														0	4
	Customer handled														0	0
	Unspecified	5	12	12	8	19	10	15	14	20	33	17	26	0		0
Grand Total	Casual caller														2,291	1,726
	Customer handled														5,335	4,157
	Unspecified	11,088	8,994	6,793	9,300	7,183	8,311	9,919	8,470	9,771	10,075	7,949	9,596	8,702	7,626	5,883

Call Centre Call performance 2008/2009

Speed of answer
Answered calls



Call Centre Incoming calls & emails 2008/2009



Call Centre Enquiries

Complaints	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Last 12 mths
Streetscene	22	32	20	32	28	35	33	28	47	29	24	27	33	19	39	374
Other Enquiry	1	3	3	3	3	4	4	2	3	0	0	0	2	2	3	26
Formal Complaint	1	0	0	0	3	0	0	0	0	4	1	1	0	0	0	9
Total	24	35	23	35	34	39	37	30	50	33	25	28	35	21	42	409

Information requests	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Last 12 mths
Other Enquiry	1,233	1,012	965	1,253	1,403	1,425	1,211	984	1,235	1,116	899	1,100	1,065	953	835	13,479
Streetscene	730	586	799	918	923	747	600	599	584	600	587	654	530	482	706	7,930
Benefits	141	148	156	215	232	298	254	165	207	234	193	264	201	245	177	2,685
Planning	163	125	80	175	175	184	116	122	178	149	124	147	158	121	76	1,725
Housing	27	26	70	55	41	47	34	234	325	279	249	327	348	347	243	2,529
Council Tax	55	125	108	132	130	135	94	133	101	164	54	159	53	150	104	1,409
Environmental health	97	75	59	80	71	53	74	84	118	193	173	83	60	61	31	1,081
Electoral registration	126	49	29	24	35	72	60	223	124	46	46	209	249	91	56	1,235
Payment Debt	58	64	65	81	93	65	40	61	57	64	48	106	103	78	57	853
Tourism	75	65	37	66	67	48	45	41	44	89	48	89	86	51	32	706
Energy efficiency	0	4	39	47	31	24	20	9	24	38	15	24	49	26	24	331
Public transport	0	0	0	0	0	0	0	0	10	47	43	66	0	0	0	166
Change of details	0	0	2	4	7	3	6	1	0	1	0	0	0	0	0	22
Formal Complaint	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3
Total	2,705	2,279	2,409	3,050	3,208	3,104	2,554	2,656	3,007	3,020	2,479	3,228	2,902	2,605	2,341	34,154

Service requests	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Last 12 mths
Payment Debt	1,815	1,914	1,698	2,290	1,150	1,145	1,526	1,827	1,571	1,911	1,376	1,884	1,517	1,770	1,397	19,364
Streetscene	1,348	1,175	1,019	1,250	1,210	1,250	1,273	1,169	1,285	1,361	1,312	1,349	1,156	1,141	1,134	14,890
Environmental health	106	98	79	71	61	75	74	70	140	299	234	90	70	80	44	1,308
Change of details	85	67	69	80	66	94	80	124	101	137	134	149	130	127	123	1,345
Housing	0	0	0	0	0	0	0	93	157	165	147	141	139	117	93	1,052
Electoral registration	25	14	22	38	32	51	48	111	61	30	11	6	11	32	34	465
Tourism	25	10	9	23	28	31	52	44	29	20	18	24	31	16	7	323
Other Enquiry	21	12	16	18	21	23	17	10	11	11	9	8	6	6	13	153
Planning	20	11	8	10	13	19	15	9	12	15	16	18	11	8	7	153
Formal Complaint	0	0	0	1	1	2	1	1	0	2	0	0	0	0	0	8
Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3,445	3,301	2,920	3,781	2,582	2,690	3,086	3,458	3,367	3,951	3,257	3,669	3,071	3,297	2,852	39,061
Grand total	6,174	5,615	5,352	6,866	5,824	5,833	5,677	6,144	6,424	7,004	5,761	6,925	6,008	5,923	5,235	73,624

Efficiency savings within Customer Services

Savings

Housing services incoming call levels four times what was planned for at Call Centre

Processing & administration of bus passes, up to 100 per week

Administering all room bookings at Centenary House, typically 50 per week

Issuing visitors passes & receiving visitors on behalf of PFH staff

St Ives & St Neots CSCs dealing with basic Benefits enquiries

No Benefits assessor available in Huntingdon CSC since May-09

Payments now taken at all locations

Council Tax enquiries handled at Ramsey & Yaxley CSCs

NI14 data capture & analysis

Increased work issuing extra season parking permits due to change in car parking strategy, extra 260 issued

Increased Benefits & Housing enquiries from recession, increased up to 40% over previous period last year

Work with other department to implement new parking and permit systems

Merge Tourism function from the Museum into the CSC in St Neots

Integration of the bus pass database with the GIS system

All face to face locations now offer Housing services, consistent with the Call Centre

Mystery shopping carried out for Leisure Services as part of business plan to support possibility of taking on new service, 50 calls completed

Sept - closure of St Neots Tourist Information Centre, & increased Electoral Registration calls due to incorrect electoral forms sent to all residents

Oct - 25 hr per week vacancy & casual hours not filled. Yaxley change to hours to reduce 4 hrs per month. Sharepoint calendar created to reduce the volume of e-mail communication from internal departments.

Nov - 25 hr per week vacancy & casual hours not filled. Changes to top 5 Onyx service requests to speed up calls. Onyx & GIS changes to accommodate operations integration of systems. Centrex lines cancelled saving £40 per month

Panel Date	Decision	Action	Response	Date For Future Action
13/05/09	<p><u>Grant Aid</u></p> <p>This item was transferred over from the former Overview and Scrutiny Panel (Service Delivery). A Working Group was established, comprising Councillors Mrs M Banerjee, P G Mitchell and J S Watt, to consider all capital and revenue grant aid schemes administered by the Council. The Working Group's final report has been endorsed for submission to the Cabinet.</p>	<p>Final report submitted to Cabinet on 29th January 2009.</p> <p>In order to monitor the situation an annual report on organisations supported by grant through service level agreements is requested by the Panel</p>	The Cabinet considered and concurred with the final report.	TBC
13/05/09	<p><u>Customer Services Monitoring Report</u></p> <p>This item was transferred over from the former Overview and Scrutiny Panel (Service Delivery). Quarterly performance reports to be circulated informally to the Panel (February and September each year) and formally on the Agenda (June and November each year).</p>	Report to be included on Panel Agenda in June and November.	This item appears elsewhere on the agenda	04/02/10

Panel Date	Decision	Action	Response	Date For Future Action
13/05/09	<p><u>Licensing Act – Impact On Night-time Economy</u></p> <p>This item was transferred over from the former Overview and Scrutiny Panel (Service Support).</p> <p>Subject to an amendment to one of the recommendations, the Service Support Panel endorsed the final report for consideration by the Cabinet at their meeting on 29th January 2009.</p> <p>Agreed to re-visit the study towards the end of the year to review progress made towards achievement of the countywide action plan, the night watch project and the availability of statistics from Hinchingsbrooke Hospital on alcohol related accidents and emergency treatment.</p>	<p>Request for report to be submitted from Health and Well Being Thematic Group</p>	<p>Report endorsed by the Cabinet at their meeting on 29th January 2009</p> <p>Item appears elsewhere on the agenda</p>	04/02/10
13/05/09	<p><u>Corporate Plan Working Group</u></p> <p>Councillors J Ablewhite and GSE Thorpe Have been appointed onto the Corporate Plan Working Group.</p>	<p>Quarterly performance reports to be submitted to all Overview and Scrutiny Panels in September, December, March and June of each year.</p>		

Panel Date	Decision	Action	Response	Date For Future Action
19/09/09	<u>Local Government Act 2000 – Forward Plan</u>			
12/11/09	The Treasury Management Strategy and Prudential Indicators	Report requested.	This item appears elsewhere on the agenda	4/02/10
12/11/09	Covert Surveillance Policy review	Presentation by Council's solicitor expected		TBC
12/11/09	Development brief for former Fire Station site in St Neots	Report requested.		TBC
14/01/10	Budget and Medium Term Plan		This item appears elsewhere on the agenda	4/02/10
10/09/09	<u>Workplan Studies</u> The following studies are to be prioritised and will form future studies(the first three were suggestions by the Corporate Plan Working Group following their examination of the Council's performance against its non-priority targets: <ol style="list-style-type: none"> 1. Management of capital projects by the Environmental Management Section 2. The effect and cost implications of the loss of the Huntingdonshire Enterprise Agency 3. The employees Performance 	Information requested from Heads of Service.	This item appears elsewhere on the agenda	04/02/10

Panel Date	Decision	Action	Response	Date For Future Action
14/01/10	<p>Development Review process</p> <p>4. Tourism</p> <p>5. The CreativeXchange St Neots</p> <p>6. Financial reports on the Leisure Centres</p> <p>7. Lessons learned from the headquarters and other accommodation project</p> <p>8. Industrial units at Caxton Road St Ives</p> <p><u>Financial Cost of Standards</u></p> <p>Report requested giving financial cost of providing Standards support</p>	<p>Report expected at future meeting</p> <p>Report requested</p>	<p>Vibrant Market Towns/Tourism CreativeXchange report.</p>	<p>15/04/10</p> <p>04/02/10</p> <p>15/04/10</p>

**OVERVIEW AND SCRUTINY PANELS
(SOCIAL WELL-BEING)
(ENVIRONMENTAL WELL-BEING)
(ECONOMIC WELL-BEING)**

**2ND FEBRUARY 2010
9TH FEBRUARY 2010
04TH FEBRUARY 2010**

**WORK PLAN STUDIES
(Report by the Head of Democratic and Central Services)**

1. INTRODUCTION

- 1.1 The purpose of this report is to allow Members of the Panel to review their programme of studies and to be informed of studies being undertaken by the other Overview and Scrutiny Panels.

2. STUDIES

- 2.1 The Council has a duty to improve the social, environmental and economic well-being of the District. This gives the Overview and Scrutiny Panels a wide remit to examine any issues that affect the District by conducting in-depth studies.

- 2.2 Studies are allocated according to the Council's service areas which have been identified as follows:-

Social Well-Being

Housing
Community
Leisure Centres
Operations (part)
Democratic and Central Services (part)
People, Performance and Partnerships (part)

Environmental Well-Being

Environmental and Technical Services
Planning Services
Environmental Health
Operations (part)

Economic Well-Being

Information Management
Finance
Customer Service and Call Centres
Revenues
Democratic and Central Services (part)
Law, Property and Governance
People, Performance and Partnerships (part)
HQ/Accommodation

2.3 On going studies have been allocated between the Panels accordingly:-

STUDY	PANEL	STATUS
The processes involved in applying for community grant aid and the effectiveness of grant schemes.	Economic Well-Being	Annual report on those organisations supported by grants to be submitted to a future Panel meeting.
Provision of play facilities for young people across the District.	Social Well-Being	Investigations ongoing with the Head of Operations and Executive Councillor for Operational and Countryside Services.
Car parking at Hinchingbrooke Hospital.	Social Well-Being	Investigations ongoing. Representatives of Hinchingbrooke NHS Trust will be in attendance at the Panel's February meeting.
Tourism.	Economic Well-Being	Panel will consider looking at the wider implications of tourism.
The process for the determination of planning applications.	Environmental Well-Being	Final report of the Working Group anticipated for submission to the Panel's February meeting.

2.4 The following have also been identified by Members as possible future studies:-

Review of the incentives contained in the Council's Travel Plan.	Environmental Well-Being
The Council's future borrowing arrangements.	Economic Well-Being
Planning enforcement.	Environmental Well-Being
Waste disposal arrangements.	Environmental Well-Being
Management of capital projects by Environmental Management Section.	Economic Well-Being
The effect and cost implications of the loss of the Huntingdon Enterprise Agency.	Economic Well-Being
The employees performance development review process.	Economic Well-Being

The Creative Exchange, St Neots.	Economic Well-Being
Annual report on organisations supported through service level agreements.	Economic Well-Being
Financial reports on the District Council's Leisure Centres.	Economic Well-Being
Lessons learned from the Headquarters and other accommodation project.	Economic Well-Being
Industrial Units at Caxton Road, St Ives.	Economic Well-Being
Night time economy study (Hospital's perspective).	Economic Well-Being

3. RECOMMENDATION

3.1 The Panel is requested to note the progress of the studies selected.

BACKGROUND DOCUMENTS

Minutes and Reports from previous meetings of the Overview and Scrutiny Panels.

**Contact Officers: Miss H Ali, Democratic Services Officer
01480 388006**

**Mrs J Walker, Trainee Democratic Services Officer
01480 387049**

**Mrs A Jerrom, Member Development Officer
01480 388009**

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**OVERVIEW AND SCRUTINY
(ECONOMIC WELL-BEING)
STUDY TEMPLATE**

AREA OF REVIEW	DETAILS/COMMENTS
Title of Study (name of Working Group)	Grant Aid Working Group
Appointing Panel	Overview and Scrutiny Panel (Economic Well-Being) Formerly Overview and Scrutiny Panel (Service Delivery)
Members Assigned (including date Working Group appointed)	Date Appointed: 3 rd July 2007 Councillors Mrs M Banerjee, P G Mitchell and J S Watt. In addition, former District Councillor D A Giles was appointed on to the Working Group and assisted with the investigations up until April 2008.
Possible Co-Options to the Group	None identified.
Interests Declared	None declared.
Rapporteur	Councillor P G Mitchell.
Officer Support	Miss H Ali, Democratic Services Officer, HDC Mr A Roberts, Scrutiny and Review Manager, HDC Mr S Plant, Head of Housing Services, HDC Mr F Mastrandrea, Policy and Enabling Officer, HDC Mr K Tayler, Private Sector Housing Officer, HDC Mr S Ingram, Head of Planning Services, HDC Mr R Probyn, Planning Policy Manager, HDC Mr I Leatherbarrow, Former Head of Policy and Strategic Services Dr S Lammin – Head of Environmental and Community Health Services Mr D Smith – Community Team Manager Mrs K Shaw – External Funding Officer
Purpose of Study / Objective (specify exactly what the study should achieve)	To undertake a review of the processes involved in applying for community grant aid and the effectiveness of grant schemes.
Rationale (key issues and/or reason for conducting a study)	The suggestion for the study emerged from the Panel's previous investigations into the Small Scale Environmental Improvements Scheme, where the recommendations arising from the study had been endorsed by the Cabinet and implemented by the Council.
Terms of Reference	As above, and additionally, the following:- <ul style="list-style-type: none"> • To identify the purpose of each scheme having regard to the Council's priority contained in Growing Success; • To investigate the criteria for assessing applicants' eligibility under each scheme; • To investigate the methods adopted to publicise the availability of grant funding; • To investigate the application process for each scheme; • To be informed of Officer/Member involvement during

**OVERVIEW AND SCRUTINY
(ECONOMIC WELL-BEING)
STUDY TEMPLATE**

	<p>the approval process; and</p> <ul style="list-style-type: none"> To investigate external sources of funding, specifically, the level of funding attracted by the Council and the application procedure.
Links to Council Policies/Strategies	<p>Link to Council Aim: To Maintain Sound Finances. Link to Community Am: Developing Communities Sustainably.</p>

ACTION BY WORKING GROUP	
Methodology / Approach (what types of enquiries will be used to gather evidence)	Discussions with all of the Officers within the Council previously identified.
External/Specialist Support	N/A
Existing Documentation	<p>Minutes and Reports of the meeting of the Overview and Scrutiny Panel (Service Delivery) – 3rd July 2007. 2006/07 – HDC Grant Aid News Release. 2008/09 HDC Capital Grant Aid News Release. Voluntary Sector Commissioning Report – Report by the Head of Environmental and Community Health Services. HDC CAB Commissioning Agreement Document. HDC Grants Award Information – Report by the Head of Financial Services. HDC Grant Application Handbook and Application Form ~ Capital and Revenue. Listed Building / Shopmobility / Shopfront / Transportation / Home Repairs / Voluntary Grants. HDC Grant Awards Scheme. Six Month Review of Capital and Revenue Grant Aid Awards 2008/09 – Report by the Head of Environmental and Community Health Services.</p>
Evidence to be Obtained (e.g. witnesses, documents, site visits, consultation, research, etc)	Discussions with all Officers identified above.
Reference Sites	HDC Website:- www.huntsdc.gov.uk
Investigations	As outlined above.
Witnesses	<p>As above and in addition the following Councillors:-</p> <p>Councillor Mrs D C Reynolds, Executive Councillor for Housing and Public Health. Councillor T V Rogers, Executive Councillor for Finance and Environment.</p>
Site Visits (if necessary) (where and when)	N/A
Meetings of the Working Group	<p>24th October 2007. 1st February 2008. 20th March 2008. 26th March 2008.</p>

**OVERVIEW AND SCRUTINY
(ECONOMIC WELL-BEING)
STUDY TEMPLATE**

	9 th April 2008. 7 th May 2008. 24 th July 2008. 24 th October 2008.
Costs (resource requirements, additional expenditure, time)	Officer time – both to provide support and conduct research.
Possible Barriers to the Study (potential weaknesses)	None currently identified.
Projected Timescale (Start and end times)	Start: January 2009 End: July 2009.

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**OVERVIEW AND SCRUTINY
(SOCIAL WELL-BEING)
STUDY TEMPLATE**

AREA OF REVIEW	DETAILS/COMMENTS
Title of Study (name of Working Group)	Provision of Play Facilities Across the District Working Group
Appointing Panel	Overview and Scrutiny Panel (Social Well-Being) Formerly Overview and Scrutiny Panel (Service Delivery)
Members Assigned (including date Working Group appointed)	Date Appointed: 3 rd March 2009. Councillors J D Ablewhite and P G Mitchell. Councillors Mrs P A Jordan and R J West were later appointed onto the Working Group in June 2009. Councillor J D Ablewhite assisted with the study up until June 2009.
Possible Co-Options to the Group	None identified.
Interests Declared	Councillor P G Mitchell declared a personal interest into the study due to his involvement with the Stilton Skate Park Project.
Rapporteur	Councillor P G Mitchell
Officer Support	Miss H Ali, Democratic Services Officer, HDC Mr A Roberts, Scrutiny and Review Manager, HDC Mr R Ward – Head of Operations, HDC Mr J Craig, Service Development Manager, HDC
Purpose of Study / Objective (specify exactly what the study should achieve)	To investigate the provision of play facilities across the District, with a view to making recommendations on achieving an even distribution of facilities across the District and on meeting the ongoing revenue costs associated with such facilities.
Rationale (key issues and/or reason for conducting a study)	Raised as potential study area by Councillor P G Mitchell due to the current problems experienced at Stilton. Further information obtained from the Head of Operations and Panel concluded that due to the inconsistencies with the distribution of facilities across the District, a study should be undertaken.
Terms of Reference	As above.
Links to Council Policies/Strategies	Link to Community Aim: Developing Communities Sustainably. In particular, the objective to enable the provision of the social and strategic infrastructure to meet current and future needs. Link to Community Aim: Safe, Vibrant and Inclusive Communities. In particular the objective to reduce anti-social behaviour and ensure that people feel safe.

**OVERVIEW AND SCRUTINY
(SOCIAL WELL-BEING)
STUDY TEMPLATE**

ACTION BY WORKING GROUP	
Methodology / Approach (what types of enquiries will be used to gather evidence)	Information from the Head of Operations.
External/Specialist Support	N/A
Existing Documentation	Provision of Leisure Facilities for Young People – Report by the Head of Operations. Minutes of the meeting of the Overview and Scrutiny Panel (Service Delivery) – 3 rd March 2009.
Evidence to be Obtained (e.g. witnesses, documents, site visits, consultation, research, etc)	Further discussions with the Head of Operations and Executive Councillor for Operational & Countryside Services.
Reference Sites	N/A
Investigations	As outlined above.
Witnesses	Mr R Ward, Head of Operations Mr J Craig, Service Development Manager Councillor C R Hyams, Executive Councillor for Operational and Countryside Services.
Site Visits (if necessary) (where and when)	None currently identified.
Meetings of the Working Group	First meeting held 30 th April 2009. Second meeting held on 13 th August 2009. Third meeting held 28 th October 2009. Fourth meeting held 16 th December 2009.
Costs (resource requirements, additional expenditure, time)	Officer time – both to provide support and conduct research.
Possible Barriers to the Study (potential weaknesses)	None currently identified.
Projected Timescale (Start and end times)	Start: March 2009 End: Unknown.

**OVERVIEW AND SCRUTINY
(SOCIAL WELL-BEING)
STUDY TEMPLATE**

AREA OF REVIEW	DETAILS/COMMENTS
Title of Study (name of Working Group)	Parking At Hinchingsbrooke Hospital
Appointing Panel	Overview and Scrutiny Panel (Social Well-Being)
Members Assigned (including date Working Group appointed)	Date Appointed: 7 th July 2009. Agreed to pursue this as a full Panel investigation, comprising Councillors P L E Bucknell, Mrs K E Cooper, S J Criswell, J W Davies, J E Garner, Mrs P A Jordan, P G Mitchell, A Monk, J M Sadler and R J West.
Possible Co-Options to the Group	None identified at present.
Interests Declared	Cllr Mrs P A Jordan – by virtue of her employment with the NHS.
Rapporteur	Councillor S J Criswell (as Chairman)
Officer Support	Miss H Ali, Democratic Services Officer, HDC Mr A Roberts, Scrutiny and Review Manager, HDC
Purpose of Study / Objective (specify exactly what the study should achieve)	To generate and raise awareness of the impact that the introduction of car parking charges has had upon the public and the consequent restrictions that it has placed upon them.
Rationale (key issues and/or reason for conducting a study)	The suggestion for the study was prompted by representations made by a number of members of the public to the District Council on the level of charges being levied for parking at the hospital, restrictions on parking in terms of the length of stay permissible and the impact of the introduction of charges on the surrounding residential area.
Terms of Reference	To investigate the causes of complaints and make recommendations on measures that will ameliorate them.
Links to Council Policies/Strategies	To Improve Our Systems and Practices - In particular, the objectives to be good at communicating and listening to people and organisations and to be clear about what we can do and aspire to achieve and to enable Councillors to carry out their leadership role effectively. A Clean, “Green” and Attractive Environment – to help mitigate climate change. Healthy Living – to promote active lifestyles. Developing Communities Sustainably – supporting opportunities to cycle, walk and use public transport.

Methodology / Approach (what types of enquiries will be used to gather evidence)	Investigations into:- <ul style="list-style-type: none"> • the management of the car park • the effectiveness of the hospital's Travel Plan • the availability of public transport • the impact of parking and associated charges on the surrounding area • inviting a representative of the NHS Trust to attend a future Panel meeting • consultation with local residents and users of the car park • comparisons to other hospitals, i.e Addenbrooke's • desktop research • formal request for information to the Hospital • public views sought.
External/Specialist Support	Ms E Stubbs, Mrs R Clapham and Ms B Heather – Cambridgeshire LINK. Mr C Plunkett – Facilities Business Manager, Hinchingbrooke Hospital.
Existing Documentation	Planning Permission for Hospital site. Hinchingbrooke Hospital Travel Plan. Presentation delivered by the Scrutiny and Review Manager on 1 st September 2009.
Evidence to be Obtained (e.g. witnesses, documents, site visits, consultation, research, etc)	Representative from the NHS Trust. Consultation Questionnaire with local residents living within the vicinity of the site. Discussion with Ward Councillors.
Reference Sites	Hinchingbrooke Health Care NHS Trust http://www.hinchingbrooke.nhs.uk/ East of England Strategic Health Authority http://www.eoe.nhs.uk/ Cambridge University Hospitals NHS Trust (Addenbrooke's) http://www.cuh.org.uk/addenbrookes/addenbrookes_index.html NHS Cambridgeshire http://www.cambridgeshirepct.nhs.uk/ British Parking Association http://www.britishparking.co.uk/

Investigations	As outlined above; namely local parking facilities, parking practices at other Hospitals and national policies.
Witnesses	None currently identified.
Site Visits (if necessary) (where and when)	None currently identified.
Meetings of the Working Group	Panel discussions: 7 th July 2009, 1 st September 2009 and 3 rd November 2009 and 2 nd February 2010.
Costs (resource requirements, additional expenditure, time)	Officer time – both to provide support and conduct research.
Possible Barriers to the Study (potential weaknesses)	None currently identified.
Projected Timescale (Start and end times)	Start: July 2009. End: Unknown.

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AREA OF REVIEW	DETAILS/COMMENTS
Title of Study (name of Working Group)	Development Management Process Working Group.
Appointing Panel	Overview and Scrutiny (Environmental Well-Being) Panel.
Members Assigned (including date Working Group appointed)	Councillors M G Baker, P Godley, M F Newman and J S Watt. Appointed by the Panel on 14 th July 2009.
Possible Co-Options to the Group	TBC
Interests Declared	None received.
Rapporteur	Councillor M G Baker
Officer Support	Roy Reeves, Head of Democratic and Central Services Jessica Walker, Trainee Democratic Services Officer
Purpose of Study / Objective (specify exactly what the study should achieve)	To investigate the process for the determination of planning applications and make recommendations where appropriate.
Rationale (key issues and/or reason for conducting a study)	Anecdotal evidence from Members of public concern over the pre-decision planning process.
Terms of Reference	The review will concentrate on the process leading to the determination of planning applications, not the decision making process itself or the merits of decisions. The intention will be to look at the practices and procedures from first enquiry by potential applicants to the preparation of an officer's final report and recommendations, involving pre-application advice, public consultation, plans and amendments, duration of the process and other related matters.
Links to Council Policies/Strategies	Link to Corporate Plan – To improve our systems and practices.

Methodology / Approach (what types of enquiries will be used to gather evidence)	Examination of available data; Interviews; Surveys.
External/Specialist Support	TBC
Existing Documentation	To be determined.
Evidence to be Obtained (e.g. witnesses, documents, site visits, consultation, research, etc)	Evidence to be obtained by the Democratic Services team, together with information from the Planning Division. Possible survey of sample of applicants. Consultation with Town and Parish Councils. Customer feedback & ombudsman investigations (if any). Comparison of processes with other authorities. Website Comparisons. Performance against Government Indicators. Availability of best practice advice and guidance. Cost effectiveness of process.

Reference Sites	Comparable local authorities.
Investigations	To be undertaken by officers supporting the Working Group.
Witnesses	Planning officers. Chairman of Development Management Panel.
Site Visits (if necessary) (where and when)	Likely to be unnecessary.
Meetings of the Working Group	Meetings held on Thursday August 6 th 2009, Thursday September 10 th 2009, Thursday 8 th October 2009, Thursday 29 th October 2009 and Friday 20 th November 2009, Thursday 10 th December 2009 and Thursday, 7 th January 2010. A future meeting is scheduled for Thursday 28 th January 2010.
Costs (resource requirements, additional expenditure, time)	Officer time – both to provide support and to conduct research.
Possible Barriers to the Study (potential weaknesses)	None known at this stage.
Projected Timescale (Start and end times)	Start – July 2009 Completion of study expected February 2010.