

A meeting of the **CABINET** will be held in the **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 13 FEBRUARY 2014** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

APOLOGIES


**Contact
(01480)**

1. MINUTES (Pages 1 - 4)

To approve as a correct record the Minutes of the meeting of the Cabinet held on 23rd January 2014.

**Mrs H J Taylor
388008**

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary, non-disclosable pecuniary or non pecuniary interests in relation to any Agenda item. See Notes below.

**3. FINANCIAL MONITORING - REVENUE BUDGET 2013/14
(Pages 5 - 30)**

To consider a report by the Assistant Director, Finance and Resources.

**S Couper
388103**

**4. FINANCIAL MONITORING - CAPITAL PROGRAMME
(Pages 31 - 38)**

To consider a report by the Assistant Director, Finance and Resources.

**S Couper
388103**

5. BUDGET

**(a) BUDGET UPDATE - COUNCIL TAX FREEZE
GRANT (Pages 39 - 40)**

To receive an update from the Assistant Director, Finance and Resources.

**S Couper
388103**

**(b) BUDGET 2014/15 AND MEDIUM TERM PLAN 2015
TO 2019 (Pages 41 - 98)**

To consider a report by the Assistant Director, Finance and Resources on the 2014/15 Budget and Medium Term Plan.

**S Couper
388103**

(A copy of the separate appendix of budget tables has been circulated separately to Cabinet Members and is

also available at www.huntingdonshire.gov.uk)

6. TREASURY MANAGEMENT STRATEGY 2014/15 (Pages 99 - 126)

To consider a report by the Assistant Director, Finance and Resources containing a proposed Treasury Management Strategy, which is required under the Council's Code of Financial Management.

C Mason
388157

7. HUNTINGDONSHIRE DISTRICT COUNCIL CORPORATE PLAN 2014-16 (Pages 127 - 130)

To consider the Huntingdonshire District Council Corporate Plan 2014-16.

H Thackray
388035

8. EXCLUSION OF THE PUBLIC

To resolve that the public be excluded from the meeting because the business to be transacted contains information relating to consultations or negotiations in connection with labour relation matters between the Council and its employees.

9. FACING THE FUTURE (Pages 131 - 152)

To receive a joint report from the Overview and Scrutiny Panels on the prioritised recommendations for savings.

S Couper
388103

Dated this 5 day of February 2014



Head of Paid Service

Notes

1. Disclosable Pecuniary Interests

(1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*

(2) *A Member has a disclosable pecuniary interest if it -*

(a) relates to you, or

(b) is an interest of -

(i) your spouse or civil partner; or

- (ii) a person with whom you are living as husband and wife; or
- (iii) a person with whom you are living as if you were civil partners

and you are aware that the other person has the interest.

(3) *Disclosable pecuniary interests includes -*

- (a) any employment or profession carried out for profit or gain;
- (b) any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);
- (c) any current contracts with the Council;
- (d) any beneficial interest in land/property within the Council's area;
- (e) any licence for a month or longer to occupy land in the Council's area;
- (f) any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or
- (g) a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.

Other Interests

(4) *If a Member has a non-disclosable pecuniary interest or a non-pecuniary interest then you are required to declare that interest, but may remain to discuss and vote.*

(5) *A Member has a non-disclosable pecuniary interest or a non-pecuniary interest where -*

- (a) *a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
- (b) *it relates to or is likely to affect any of the descriptions referred to above, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association*

and that interest is not a disclosable pecuniary interest.

2. Filming, Photography and Recording at Council Meetings

The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening at meetings. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and available via the following link - [filming, photography and recording at council meetings.pdf](#) or on request from the Democratic Services Team. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.

Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntingdonshire.gov.uk /e-mail: 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 Cabinet.

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.

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 23 January 2014.

PRESENT: Councillor J D Ablewhite – Chairman.

Councillors B S Chapman, J A Gray,
N J Guyatt, R B Howe, T D Sanderson and
D M Tysoe.

In Attendance: Councillors K J Churchill and
R J West.

58. MINUTES

The Minutes of the meeting of the Cabinet held on 12th December 2013 were approved as a correct record and signed by the Chairman.

59. MEMBERS' INTERESTS

No declarations were received.

60. RENEWAL OF GREAT FEN PROJECT COLLABORATION AGREEMENT

Further to Minute No. 09/34 and with the assistance of a report by the Assistant Director, Environment, Growth and Planning (a copy of which is appended in the Minute Book) the Cabinet was invited to consider the Council's ongoing role in the Great Fen Project, which aims to restore over 3,000 hectares of wetland around the Woodwalton Fen and Holme Fen Nature Reserves. The report had been considered by the Overview and Scrutiny Panel (Environmental Well-Being) whose comments were relayed to the Cabinet.

Members were reminded that the Council was one of five core Project Partners alongside the Environment Agency, the Middle Level Commissioners, Natural England and the Wildlife Trust. The Partners had entered into a Collaboration Agreement which was due to expire in March 2014.

In considering the information before them, Executive Councillors were reminded that the Council supports the project by way of a contribution of £20k per annum and officer time and support. It was reported that the next stage in the Projects delivery, including the development of visitor facilities, would be fundamental in terms of maximising its local economic development potential. Having recognised the active role the Council will play in ensuring that an appropriate emphasis is placed upon the delivery of tangible economic, social and environmental benefits and in noting that the Council's commitment would be reviewed when the new Agreement expires, the Cabinet

RESOLVED

that the Great Fen Project Collaboration Agreement be renewed for a further 5 year period.

61. RECONNECTIONS POLICY FOR HOMELESSNESS PEOPLE WITH NO LOCAL CONNECTION

By way of a report by the Head of Customer Services (a copy of which is appended in the Minute Book), the Cabinet was invited to consider the content of a Reconnections Policy which aimed to assist with the prevention of homelessness by reconnecting homeless people to an area where they have a local connection. The Policy had been considered by the Overview and Scrutiny Panel (Social Well-Being) whose comments were relayed to the Cabinet.

Having recognised that homeless people at risk of rough sleeping were more likely to have a positive outcome to their situation in an area where they have support networks through family and friends, the Cabinet

RESOLVED

that the content of the Reconnections Policy for Homelessness People with No Local Connection be approved.

62. DISCHARGING A HOMELESSNESS DUTY THROUGH THE PRIVATE RENTED SECTOR

The Cabinet considered a report by the Head of Customer Services (a copy of which is appended in the Minute Book) to which was attached a policy outlining how the Council will discharge its homelessness duty through the private rented sector.

Members were advised that the policy had been prepared in response to the Localism Act 2011 and subsequent regulations which allow the Council to end its "duty" to a household accepted as homeless by making an offer of suitable private rented sector accommodation in the district.

Having received the views of the Overview and Scrutiny Panel (Social Well-Being) on the document, the Cabinet

RESOLVED

that the Policy to Discharge the Council's Homelessness Duties Through the Private Rented Sector be approved.

63. STREET NAMING AND NUMBERING - IMPLEMENTATION OF CHARGES

Further to Minute No 13/42 and by way of a report by the Head of Environmental Management (a copy of which is appended in the Minute Book) the Cabinet considered a proposal to introduce a charge for Street Naming and Number Services.

Members were reminded that under the provision of the Public Health Act 1925, the District Council has to provide street names for new streets and numbering for new properties. The Act also give the Council a duty to maintain and replace damaged, missing or illegible street name plates.

In considering a schedule of possible charges, Executive Councillors were mindful of the fees introduced by neighbouring authorities for such a service. Whereupon, it was

RESOLVED

(a) that the proposed street naming and numbering charges outlined as option B in the table at paragraph 3.2 of the report be approved and implemented from 1st April 2014; and

(b) that the charges be reviewed in 12 months.

64. SAFETY ADVISORY GROUP

In receiving and noting the report of the Safety Advisory Group held on 27th November 2013 particular attention was drawn to the issue of low humidity in Pathfinder House. Executive Councillors were advised that this was a problem affecting a very small number of staff and that investigations into the cause of the problem were ongoing.

65. PAY REVIEW FRAMEWORK

(In view of the late circulation of the supporting papers for this item, the Chairman announced that he proposed to admit the item as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972, given the need for the Cabinet to approve the pay model to enable the necessary changes to be implemented to pay and grading arrangements with effect from 1st April 2014).

Further to Minute No. 13/43 and by way of a joint report by the Managing Director and the Assistant Directors (Finance & Resources) and (Environment, Growth and Planning) (a copy of which is appended in the Minute Book) the Cabinet was invited to consider the content of a proposed new pay model for all Council employees, including a job evaluation appeals process and a proposal to remove essential car user payments and attendance allowances with effect 1st April 2014. The proposals had been prepared following staff consultation and negotiations with Staff Council representatives.

Members were advised that the existing pay model was now regarded as not being financially sustainable and inequitable leaving the Council at risk of equal pay claims. Executive Councillors were encouraged to note that the new pay framework was judged to offer the best combination and solution for the Council being affordable, equal and consistent. Executive Councillors were advised that the changes would impact on all 692 permanent employees of the

Council with 42.3% enduring a pay reduction and 57.5% experiencing a neutral impact or an increase in salary. Members noted that staff would have a right of appeal against their grading and that provision had been made for pay protection of 3 months full pay or 6 months half pay if the employee prefers.

With regard to the financial implications for the authority, compared against the current pay structure, there would be an additional cost in 2014/15 of £184k. Executive Councillors were advised that savings would follow in subsequent years rising to 452k by 2020/21. However, when compared to the current budget provision, there would be a saving of £776k in 2014/15 rising to £2,017k in 2020/21.

In the discussion that ensued, Executive Councillors reiterated their commitment to deliver a fair and equitable pay scheme and expressed their satisfaction with the proposed Appeals Procedure.

Having thanked the Staff Council, Employment Panel and Managing Director for their valuable contribution to the Pay Review, the Cabinet

RESOLVED

- (a) that the pay model set out in Appendix 1 of the report now submitted be approved for implementation in respect of all Council employees from 1st April 2014;
- (b) that the Managing Director be authorised, in consultation with the Executive Leader, to implement the necessary changes to individual's pay and grading arrangements in accordance with the process outlined in Appendix 2 of the report; and
- (c) that Essential User Allowances for Senior Managers and attendance allowances for certain operations staff be removed with effect from 1st April 2014.

Chairman

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Financial Reporting Revenue Budget 2013/14
Meeting/Date:	Cabinet 13 February 2013
Executive Portfolio:	Resources: Councillor J A Gray
Report by:	Assistant Director (Finance and Resources)
Ward(s) affected:	All Wards

Executive Summary:

The council is now in the final quarter of the financial year. In-keeping with best practice, it is now opportune to provide a further update on the forecast outturn for 2013/14.

Due to the significant levels of savings that managers have already achieved or are expecting by the end of the year the Council should be able to use £1.6m less than originally budgeted but £0.5m is due to deferrals to next year. Reserves at April 2014 are forecast to be £10m.

New Homes Bonus for 2015/16 will be based on the increase in houses in the year ending October 2014. So far, the Council is ahead of its profiled new-homes target.

It is expected that the cost of Council Tax Support will be lower than expected and income from Business Rates will be on-budget; however, for the latter the impact of appeals makes the forecast subject to considerable volatility. Neither of these will impact until the next financial year.

The amount outstanding on Sundry Debts is in line with previous collection rates.

Recommendation(s):

The Cabinet is requested to note the:

- forecast outturn for 2013/14 and the reasons for the variations.
- expected position on new homes bonus for 2015/16.
- potential for variations on Council Tax Support and Business Rates for 2014/15.
- position on debts collected and written-off in the third quarter of this financial year.

1. PURPOSE

- 1.1 To update members, in line with best practice and agreed budget monitoring reporting cycles, on the forecast outturn for 2013/14 and other elements of strategic financial performance.

2. BACKGROUND

- 2.1 The Council has, on a quarterly basis, routinely received a budget monitoring report that gives an indication of the forecast revenue outturn for 2013/14 and the impact on the General Fund.

- 2.2 In December 2013 Cabinet members received, by email, the November 2013 Financial Performance Monitoring Suite (FPMS). The December FPMS is shown as Appendix 1 to this report and includes the following sections:

- Headlines – Financial Performance
- Financial Performance *tabulation*, showing Forecast against Original and Updated Budget and the Impact on the General Fund Balance.
- 2013/14 Head of Service Corporate Budget Monitoring *analysis*.
- Achievement of 2013/14 MTP Savings *analysis*.
- “Pre-achievement” of 2014/15 Targeted Savings *analysis*.
- Financial Dashboard (December 2013).

3. Forecast Revenue Activity

Use of General Fund Balances

- 3.1 Members will be aware that the MTP currently provides for a phased reduction in the general fund balance to £5.0m by 2015/16; the general fund balance as at the end of 2012/13 was £10.6m.

- 3.2 All Heads of Service have reviewed their forecasts and the “Forecast Performance” *tabulation (Appendix 1a)* shows that the forecast net spend for 2013/14 is expected to be £21.1m; this means that the forecast use of reserves for the year is £0.6m some £1.6m less than original planned (this is net of carry-forwards to 2014/15).

- 3.4 This has a consequential impact on the expected use of general fund reserves by:

- reducing the amount needed to balance the 2013/14 budget.
- providing flexibility to spread the level of future savings over a longer period.

- 3.3 The Original Budget has been adjusted to take into account of:

- approved budget carry-forwards from last year, which are funded from an earmarked reserve, and
- additional capitalised expenditure.

This results in an updated budget of £23.2m and when this is compared to the 2013/14 Forecast, this shows that the forecast is £2.1m less than the updated budget.

Variations in Revenue Spend

- 3.5 As mentioned earlier, Heads of Service have provided an extensive commentary on the reasons for variations in their forecast outturn to the updated budget; this is in the “2013/14 Head of Service Corporate Budget Monitoring” *analysis (Appendix 1b)*. Those services where the variation is greater than +/- £75,000 are summarised below:

Variation in Forecast to Updated Budget 2013/14			
	£000	Service	Commentary
1.	(223)	Planning	Policy & Conservation Savings on current year’s budget due to rephrasing of the Local Plan examination timetable to next year.
2.	(205)	Finance	Contingency Rephrasing of Protection and Performance Pay to 2014/15.
3.	(172)	Planning	Economic Development Technical adjustment in respect of a previous carry-forward request and a rephrasing of pump-priming costs relating to the St Neots Town Centre Redevelopment Scheme. £86,000 will be carried over to 2014/15.
4.	(137)	Finance	Minimum Revenue Provision Technical adjustment in the 2013/14 Minimum Revenue Provision in respect of debt repayment due to delayed capital spending. This is an actual saving in 2013/14, but could reduce in future years depending on slippage in the capital programme.
5.	(137)	Customer Services	Customer Services Combination of savings in respect of St Ives Customer Centre no longer required, reduced training budgets, vacancies in staff budgets and savings in ICT costs due to Call Centre relocation. This is a mix of one-off and ongoing savings.
6.	(124)	Customer Services	Homelessness Technical adjustment relating to reduction in the Bad Debt Provision and lower payments expected on prevention and hostel support.
7.	(101)	Finance	Internal Audit and Insurance None use of hired staff, savings on training and leased car accident costs. Income re Mesothelioma claim. This is a mix of one-off and ongoing savings.
8.	(99)	Corporate Office	Director Management Unit Technical adjustment from contingency budget and Directors reorganisation.

9.	(98)	Environmental Management	Management Unit Savings from vacant posts and supplies. This is a mix of one-off and ongoing savings.
10.	(91)	Environmental & Community Health	Environmental & Community Health Services Saving accrued from vacant posts; new appointees from November 2013 and January 2014.
11.	(90)	Customer Services	Housing Benefits Consequential impact of an increase in the HB Admin Grant, additional one-off awards and a technical adjustment relating to a reduction in the Bad Debts Provision. This is a mix of one-off and ongoing savings.
12.	(81)	Operations	Parks Under spend from utility costs and withdrawal of commuted sum for play equipment.
13.	(79)	Operations	Operations Management Saving accrued from restructuring of management budgets.
14.	103	Operations	Refuse Collection Income from 2 nd green bins not as much as estimated, reduced income from bulky waste collection and additional vehicle costs.
15.	121	Corporate Office	Estates Management A strategic review of the estates service has been undertaken, including a review of costs and income streams. This has resulted in a net reduction in planned income but the budget is now reflective of the current estates portfolio.
16.	125	One Leisure	Leisure, Recreation and Sport The overspend is reflective of the delay in the full opening of St Ives and lower than expected income. However, the facility is now fully functional and it is anticipated that income in the second half of 2013/14 will improve. Measures have also been introduced to minimise all staffing and premises related costs and this overspend is also netted down by a saving from the delay in filling a vacancy.
17.	237	Operations	Car Parks Reduced income due to "free after 3pm" scheme and Christmas promotion; "on-street" parking surplus to be paid to Cambridgeshire County Council and reduced income from pay-and-display.
Key: (xx) = saving			

3.6 The current fiscal tightening within the Council is ensuring that Managers are being more robust in the control of their budgets.

Achievement of Revenue Savings

- 3.7 During the production of the 2013/14 budget, members approved a savings programme in excess of £1.1m; this is shown in the “Achievement of 2013/14 MTP Savings” *analysis (Appendix 1c)*. Although some services have met or even exceeded their savings targets, the forecast savings that will be achieved to the end of December show that 58% (£0.7m) of savings have been achieved. A summary of those savings not achieved that exceed a variance of £20,000 are shown below.

Forecast Value of Non-Achievement of Savings 2013/14		
	£000	Commentary on Underachievement of Savings
1.	267	Operations: Increase in Car Park Charges The original savings target of £5,000 was achieved but this has been negated by the introduction of the “free after 3pm” scheme (£95,000 including Christmas), lost income from Huntingdon Multi-Story Car Park due to build delays (£50,000) and reduced “pay and display” income (£122,000).
2.	100	One Leisure See commentary included in the previous table.
3.	53	Recycling Credits To date the £24,000 savings have not been achieved and there is a further £29,000 reduction in income due to lower tonnages in recycle.
4.	52	Charging for Second Green Bins Sales of second green bins have not been in line with original estimate.

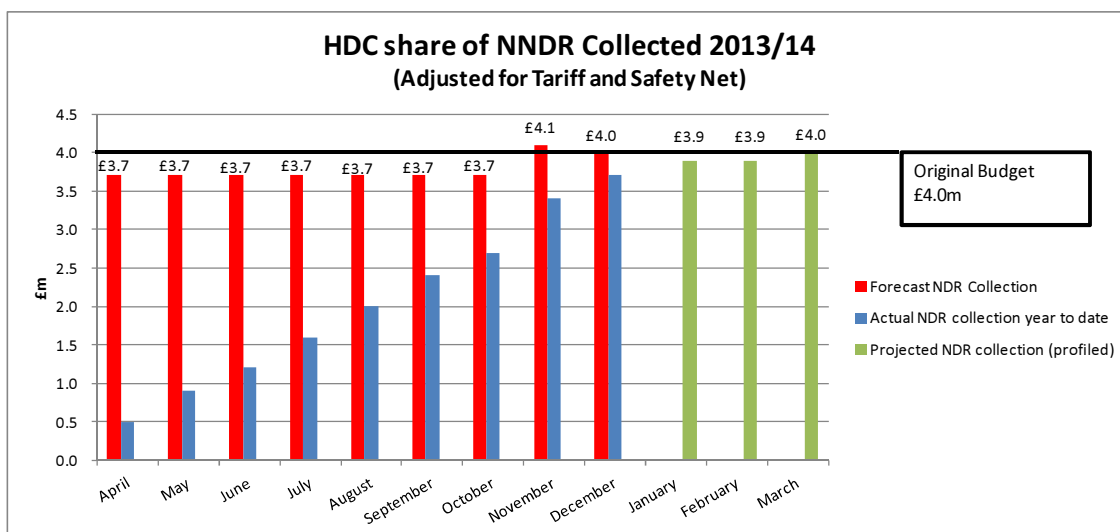
- 3.8 Members will recall from the “Financial Forecast to 2019” report that was presented to Cabinet in September 2013 that the “targeted” savings for 2014/15 totalled £1.4m. Provisional indications are just under £0.6m (41%) has been achieved in the current year, which contributes to the positive in year budget position, this is shown in the “Pre-achievement” of 2014/15 Targeted Savings” *analysis (Appendix 1d)*.

4. COUNCIL TAX SUPPORT AND BUSINESS RATES

- 4.1 The December FMPS highlights (*Appendix 1*), noted the following:
- the Council Tax Support Scheme remains £0.100m under budget.
 - Business Rates receipts are expected to be marginally above budget (£0.100m).
- 4.2 With regard to Business Rates, the FMPS also noted that business rates receipts were volatile due to the potential impact of appeals. The Council has just been notified of three appeals that have been successful. The three appeals total in excess of £0.620m; after statutory deductions for Central Government and other local authorities the impact on the Council would be £0.248m. However, within the current Collection Fund modelling, there is an allowance for appeals and this adjustment now means that the allowance is exhausted. On average, appeals have been running at between £60,000 and £80,000 per month, this means the forecast outturn it expected to be around £4.0m (£0.100m less than the December FMPS forecast). It should be noted

that these appeals will not impact until 2014/15 as a consequence of the Collection Fund accounting regime.

- 4.3 The December Financial Dashboard includes a graph entitled “HDC share of NNDR Collected 2013/14”. A revised graph reflecting the aforementioned successful appeals is shown below.



5. NEW HOMES BONUS

- 5.1 The government introduced the new homes bonus scheme (NHB) as a way of incentivising councils for residential development (or redevelopment) within their administrative boundaries. The grant received is based on actual increases in building on a 12 month, October to September, basis.

- 5.2 With regard to the:

- October 2012 to September 2013 NHB year (payable 2014/15), the government has confirmed that the Council will receive grant totalling £3.344m.
- October 2013 to September 2014 NHB year (payable in 2015/16), the first three months initial indications show that, based on the budgeted new-homes profile, the actual number of new-homes to date is ahead of budget by 46 Band D equivalent properties (177 against a target of 132); if this was the outturn this would generate an additional £55,192 in grant.

6. DEBT AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

- 6.1 As shown in the Sundry Debtors graph in Appendix 2, the 3 categories of debt have remained consistent over the past year, with the average percentages for debt outstanding being:

- Overpaid Housing Benefit: 77%
- Other Miscellaneous Debt *: 9%
- Excess Car Parking Charges: 24%

* this includes debts relating to Housing Support, Property & Land, Operations and One Leisure.

6.2 To the end of December, £0.494m has been written off; this is £61,300 (14.2%) more than the same point last year. Further details are shown in Appendix 2.

7. LEGAL IMPLICATIONS

7.1 No direct, material legal implications arise out of this report.

8. RESOURCE IMPLICATIONS

8.1 The resource implications are noted within this report.

LIST OF APPENDICES INCLUDED


Appendix 1 – Financial Performance Monitoring Suite
Appendix 1a – Forecast Performance
Appendix 1b – 2013/14 Head of Service Corporate Budget Monitoring
Appendix 1c – Achievement of 2013/14 MTP Savings”
Appendix 1d – Pre-achievement” of 2014/15 Targeted Savings
Appendix 1e – Financial Dashboard (December 2013)
Appendix 2 – Sundry Debt (Collected and Write-Offs)

BACKGROUND PAPERS


Working papers in Financial Services

CONTACT OFFICER

Steve Couper, Assistant Director (Finance and Resources)

 01480 388103

Clive Mason, Accountancy Manager

 01480 388157



FINANCIAL PERFORMANCE MONITORING SUITE

December 2013

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Steve Couper

Assistant Director (Finance and Resources)

Prepared By:

Clive Mason

Accountancy

Manager

Headlines – Financial Performance

The 2013/14 financial performance of the Council, based on November 2013 actual, is as follows:

- Page 3
 - Forecast spending is £21.1, £1.6m less than original budget.
 - Forecast use of reserves reduced from £2.2m to £0.6m.
- Page 4
 - If 2013/14 carry-forward requests did not proceed, forecast spend would be £21.6m and the use of reserves would be £1.1m.
- Page 9
 - Of the £1.4m of targeted savings for 2014/15 it is forecast that £0.6m will be achieved this year.
- Page 10
 - Of the £1.1m of savings approved for 2013/14, it is forecast that £0.7m has been achieved so far.
- Page 13
 - The forecast net capital spending is £11.4m, £1.8m more than the original budget. This is due to a mix of increased costs and slippage and a loan to Huntingdonshire Regional College.
- Page 15
 - The Council Tax Support Scheme is below budget by £0.1m.
- Page 16
 - Current indications are showing NNDR receipts marginally above budget; however these remain volatile due to the potential impact of appeals (and a number remain unresolved at this time).
- Page 17
 - The number of “new homes” Band D equivalent properties is ahead of target by 46 properties. A potential increase of £55,000 in New Homes Bonus.

HUNTINGDONSHIRE DISTRICT COUNCIL

Financial Performance: - Forecast against Original & Updated Budget - Impact on General Fund Balance

November 2013		December 2013							
Forecast		Original Budget	Updated Budget	Forecast	Forecast Variation Compared to				
£000		£000	£000	£000	Original Budget		Updated Budget		
					£000	%	£000	%	
	Forecast Outturn								
21,122	Budget Total (Net Expenditure)	22,764	23,244	21,126	(1,638)	(7.2)	(2,118)	(9.1)	
(611)	Use of Reserves	(2,253)	(2,733)	(615)	1,638	(72.7)	2,118	(77.5)	
20,511	Budget Requirement	20,511	20,511	20,511					
	Financing:								
(76)	- Collection Fund	(76)	(76)	(76)					
(12,929)	- Government Grant (Non-Specific)	(12,929)	(12,929)	(12,929)					
7,506	Council Tax for Huntingdonshire DC	7,506	7,506	7,506					
	Impact on Reserves								
10,587	General Fund Reserves - 31st March 2013	10,398	10,398	10,587 (A)	189	1.8	189	1.8	
(611)	Use of Reserves	(2,253)	(2,733)	(615)					
9,976	Outturn General Fund Reserve - 31st March 2014	8,145	7,665	9,972	1,827	22.4	2,307	30.1	

Definitions

- Original Budget As approved by Council, February 2013.
- Updated Budget The Original Budget, updated for brought forward projects from 2012/13.
- (A) Actual General Fund Balance as at 31 March 2013.

Memorandum Item -

to show impact on the General Fund Balance if currently approved 2013/14 Carried Forward expenditure was not carried forward to 2014/15

	December 2013					
	Original Budget	Updated Budget	Forecast	Forecast Variation Compared to Original Budget		
	£000	£000	£000	£000	%	
Forecast Outturn						
Budget Total (Net Expenditure)	22,764		21,126			
Expenditure that has been carried-forward			481 (B)			
Budget Total if Expenditure not c/f	22,764		21,607	(1,157)	(5.1)	
Use of Reserves	(2,253)		(1,096)	1,157	(51.4)	
Budget Requirement	20,511		20,511			
Financing:						
- Collection Fund	(76)		(76)			
- Government Grant (Non-Specific)	(12,929)		(12,929)			
Council Tax for Huntingdonshire DC	7,506		7,506			
Impact on Reserves						
- 31st March 2013	10,398		10,587 (A)			
Use of Reserves	(2,253)		(1,096)			
Adjusted Outturn General Fund Balance	8,145		9,491	1,346	16.5	
- 31st March 2014						

Definitions

- Original Budget
- Updated Budget
- (A)
- (B)

As approved by Council, February 2013.
 The Original Budget, updated for brought forward projects from 2012/13.
 Actual General Fund Balance as at 31 March 2013.
 Carried Forward Expenditure to 2014/15

Appendix 1b

2013-14 Head of Service Corporate Budget Monitoring - December 2013

November 2013 Variation Forecast to Updated Budget	Service	Head of Service	Original	Updated	Forecast	Variation	Summary Comments (the following are "consolidated" comments for each service)	Saving or Overspend Attributable to				
			Budget	Budget		Forecast to		2013/14			2014/15	
			£000	£000	£000	Updated Budget		£000	Delayed spend	Savings	Overspend	Targeted Savings
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
(533)	Planning	Assistant Director (Environment, Growth and Planning)	1,864	2,207	1,672	(534)	Savings - Savings due to rephasing of Local Plan examination timetable. - Savings from delayed recruitment. - Correction of previous carry-forward request and rephasing of pump-priming costs relating to the St Neots Town Centre Redevelopment scheme. - Reduced income due to slippage due to delay in major planning applications, but compensated by slippage on Alconbury Development.	(378)	(158)	61	(58)	(1)
(157)	Corporate Office	Corporate Team Manager	603	559	401	(158)	Savings - Deletion of budget previously used for staff back-filling costs. - Reduction in pensions liability due to closure of previous voluntary redundancy scheme. - Deletion of performance management budget. - Saving from non-completion of Economic Development work programme. - Technical adjustment for contingency budget review. Overspend - Strategic review of estates service has resulted in a correction to base income estimates."	0	(206)	121	(43)	(30)
136	One Leisure	General Manager (One Leisure)	269	280	381	101	Savings - Delay on recruitment to Senior roles within the services. Overspend - Delay in the opening of the St Ives Leisure Facility.	170	(69)	0	0	0

2013-14 Head of Service Corporate Budget Monitoring - December 2013

November 2013 Variation Forecast to Updated Budget	Service	Head of Service	Original	Updated	Forecast	Variation	Summary Comments (the following are "consolidated" comments for each service)	Saving or Overspend Attributable to				
			Budget	Budget		Forecast to		2013/14			2014/15	
			£000	£000	£000	Updated Budget		£000	Delayed spend	Savings	Overspend	Targeted Savings
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
(207)	Environmental Management	Service Manager (Environmental Management)	2,579	2,609	2,391	(218)	Savings - Reduction in promotion budgets and energy and water efficiency projects not proceeding. - Savings on Council energy costs. - Savings from vacancies not being filled. - Savings from reduced repairs and renewals funds contributions. Overspend - Reduction in Building Control income. - Increase in costs in car park pot hole repair.	0	(86)	39	(231)	60
(484)	Customer Services	Head of Customer Services	2,917	2,918	2,439	(479)	Savings - Combination of permanent and one-off savings in respect of the closure of the St Ives Customer Centre and savings on Customer Services salaries. - Additional Admin Grant received. - Technical savings due to lower than previously expected contributions to the Bad Debts Provision. - Additional income from recovery of Council Tax Benefit overpayments. Overspend - Reduced Housing Benefits Admin Grant	0	(299)	28	0	(208)
(119)	Environmental & Community Health	Head of Environmental and Community Health Services	2,174	2,240	2,117	(123)	Savings - Savings from delay in recruitment for vacant posts. - Small savings on service budgets.	0	(106)	5	(17)	(5)

November 2013 Variation Forecast to Updated Budget	Service	Head of Service	Original	Updated	Forecast	Variation	Summary Comments (the following are "consolidated" comments for each service)	Saving or Overspend Attributable to				
			Budget	Budget		Forecast to		2013/14			2014/15	
			£000	£000	£000	Updated Budget		£000	Delayed spend	Savings	Overspend	Targeted Savings
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
(499)	Financial Services	Assistant Director (Finance and Resources)	4,946	5,042	4,441	(601)	Savings - Technical adjustment in respect of a lower Minimum Revenue Provision allocation due to lower capital spend in 2012/13. - Non-use of hired staff and savings from a one-off contribution from a Mesothelioma insurance claim. - Reduction in external audit fees. - Savings from vacant posts. - Rationalisation and reallocations of contingency budgets.	(320)	(410)	169	(40)	0
2	Operations	Head of Operations	4,370	4,360	4,526	166	Savings - Restructuring of management unit budget has developed a consequential saving. - The Emergency Planning contract with Cambridgeshire County Council has ceased and economies achieved from training with other Councils. - Savings within Street Cleaning. Overspend - Income from 2nd Green Bin not as high as estimated. - Unplanned reduction in recycle tonnage. - Reduction in car park income due to "free after 3pm" scheme in Sainsbury's car park. - Payment of "on-street" car parking surplus to Cambridgeshire County Council. - Reduced use of "pay & display" parking. - Reduced use of the pooled car scheme.	0	(134)	448	(148)	0
(66)	Information Management Division	Service Manager (Information Management Division)	1,887	1,899	1,833	(66)	Savings - Savings from reduced line rental and call costs. - Savings from vacancies not being filled.	0	(66)	0	0	0

2013-14 Head of Service Corporate Budget Monitoring - December 2013

November 2013 Variation Forecast to Updated Budget	Service	Head of Service	Original	Updated	Forecast	Variation	Summary Comments (the following are "consolidated" comments for each service)	Saving or Overspend Attributable to				
			Budget	Budget		Forecast to		2013/14			2014/15	
			£000	£000	£000	Updated Budget		Delayed spend	Savings	Overspend	Targeted Savings	Other
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000			
(74)	Legal & Democratic Services	Head of Legal and Democratic Services	1,657	1,657	1,576	(81)	Savings - Saving from Overview and Scrutiny Provision. - Reduction in costs of Members basic and special duty allowances. - Savings from recharge to Cambridgeshire County Council in respect of election costs. - Savings from vacancy not being filled. Overspend - Correction to base estimates for Licensing income.	0	(103)	54	(32)	0
(2,001)	Service Totals		23,266	23,771	21,777	(1,993)		(528)	(1,637)	925	(569)	(184)
(123)	Technical adjustments for Revenue to Capital and Recharges		(502)	(527)	(651)	(124)						
(2,124)	Budget Net Expenditure		22,764	23,244	21,126	(2,117)						

Appendix 1c

November Savings (greater than) or less than Target £000	Scheme	Head of Service	MTP Target £000	December				Commentary	
				Savings Achieved (based on Forecast Outturn)		Movement from November			Savings (greater than) or less than Target
				£000	%	£000	%		£000
82	Increase In Carpark Charges	Operations	5	(262)	-1540%	185	-226%	267	> Fee increase £5k saving achieved but one off reductions due to "free after 3pm" (£95k, including Christmas), lost income from Huntingdon Multi-Story Car Park due to build delay (£50k) and reduced "pay & display" income (£122k).
53	Recycling Credits	Operations	24	(29)	-121%	0	0%	53	> Savings £24k not achieved due to no price increase for the current year; and £29k reduction in income due to lower tonnages
52	Charging For Second Green Bins	Operations	101	49	49%	0	0%	52	> Sales of Second green bins not been as good as originally estimated
10	Car Park Strategy	Planning	10	0	0%	0	0%	10	> Savings not achieved, reduction in usage of car parks
5	Document Centre Efficiency & Ext Work	Legal & Democratic	10	5	50%	0	100%	5	> Achievement dependent on external income being sustained and efficiency savings being reflected in end user budgets.
100	One Leisure Combined Savings (Updated Since September 2013)	One Leisure	242	142	59%	0	0%	100	> One Leisure Combined Saving included an assumed £117,000 staff saving through restructuring but this has been delayed. The completion of the Redevelopment of OLSI has been delayed and has impacted on the income this year. The fitness equipment replacement has been delayed pending a review to ensure only necessary replacements are made.
0	Pool Vehicles	Operations	19	3	16%	16	0%	16	> Reduced Pool Car income
18	Rental Of Office Space (additional income)	Environmental Management	44	26	59%	0	0%	18	> Additional income not achieved, unable to find more tenants at the moment, although still some possible expressions of interest
1	Licensing Efficiency & Charges	Legal & Democratic	47	43	91%	4	-400%	5	> The estimated additional income has not been realised, it is expected that such levels of income will not be realised in future years. This is mainly due to statutory limitation and fees set by central government not rising.
0	Customer Services Line Rental Savings	Customer Services	24	24	100%	0	0%	0	
0	Elections Integration Phasing	Legal & Democratic	73	73	100%	0	0%	0	
0	CIL- Preparation	Planning	56	56	100%	0	0%	0	
0	Call Centre CRM System Replacement	Customer Services	74	74	100%	0	0%	0	
0	Automated Telephone Payments	Customer Services	7	7	100%	0	0%	0	
0	Community Grants Reduction	Environmental Health	55	55	100%	0	0%	0	
0	E-Marketplace	Financial Services	4	4	100%	0	0%	0	
0	Reorganise Senior Management	Managing Director	178	178	100%	0	0%	0	
0	Close St Ives Customer Services Centre	Customer Services	7	7	100%	0	0%	0	
0	Reduce Hours Huntingdon Customer Services Centre	Customer Services	7	7	100%	0	0%	0	
0	IMD Shared Service Income	IMD	15	15	100%	0	0%	0	
(1)	Business Continuity Review	IMD	6	7	117%	0	0%	(1)	
(2)	IMD Staff Savings	IMD	13	15	115%	0	0%	(2)	
(4)	PV Panels - Eastfield House	Environmental Management	39	43	110%	0	0%	(4)	> This meets some of the 2014/15 targeted saving.
(4)	Customer Services - Staff Savings	Customer Services	14	18	129%	(4)	0%	(4)	
(39)	Environmental Community Health Services Savings	Environmental Health	65	104	160%	0	0%	(39)	
271			1,139	664	58%	205	-76%	476	

Appendix 1d

Huntingdonshire District Council

1. Cabinet September 2013 - Financial Forecast to 2019 Report: 'Annex C' - Existing Savings Proposals: 2013/14

2. Cabinet December 2013 - Budget Update: 'Annex C' - Targeted Savings

Pre-achievement of 2014/15 Targeted Savings - December 2013

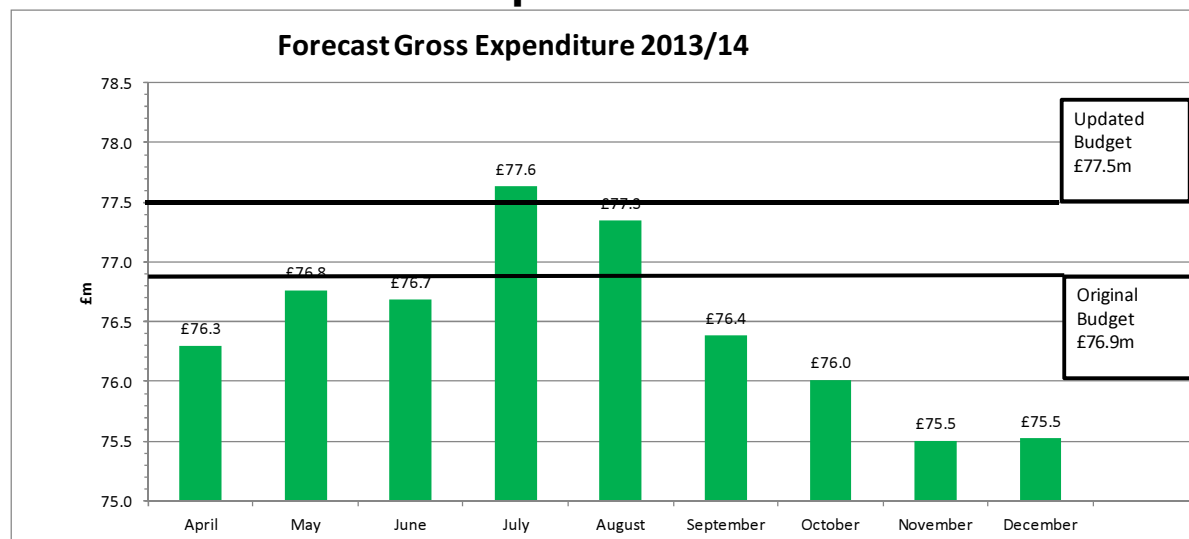
Scheme	Target 2014/15 £000	Early Achievement 2013/14	
		Forecast	
		November 2013 £000	December 2013 £000
Environment, Growth & Planning			
Planning staff savings/Housing Strategy and Planning Policy	75	58	58
	75	58	58
Corporate Office			
Give up performance management budget	18	18	18
Corporate Office target saving from extra income, cost savings or restructuring	40	25	25
	58	43	43
Environmental Management			
Combination of:	200	231	231
Integration of FM and Estates			
Sharing			
Revenue generation activities/additional income			
Reduced energy and maintenance costs for PFH and EFH			
Savings in street naming and numbers and other budgets			
	200	231	231
Environmental & Community Health			
Give up Arts Development budget	11	8	8
Primary authority scheme/ Premises permitting scheme/ Community safety work for others	19	9	9
	30	17	17
Finance & Resources			
Reduced audit fee	40	40	40
	40	40	40
Operations			
Ops Management and admin budget savings	80	78	78
Savings from Street Cleaning	70	70	70
	150	148	148
Legal & Democratic Services			
Democratic/Central Services target saving from extra income, cost savings or restructuring	20	32	32
	20	32	32
Targeted Savings Acheived Early	573	569	569
Targeted Savings not Acheived Early	804	808	808
Total Targeted Savings	1,377	1,377	1,377

HUNTINGDONSHIRE DISTRICT COUNCIL

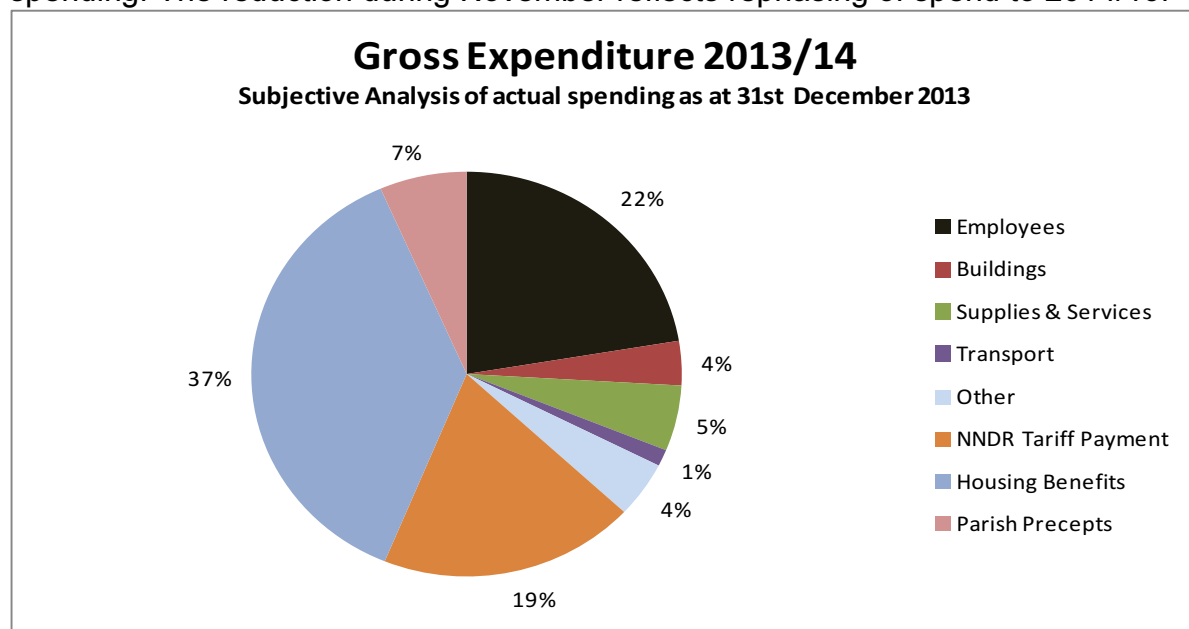
Financial Dashboard (December 2013)

Appendix 1e

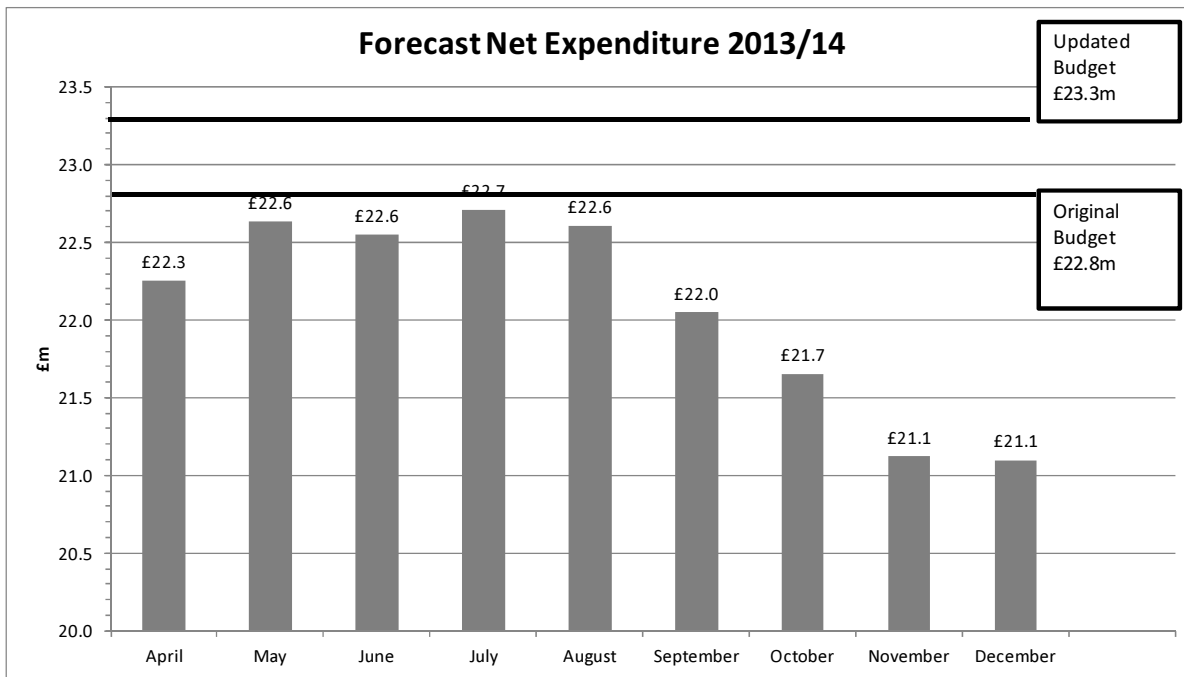
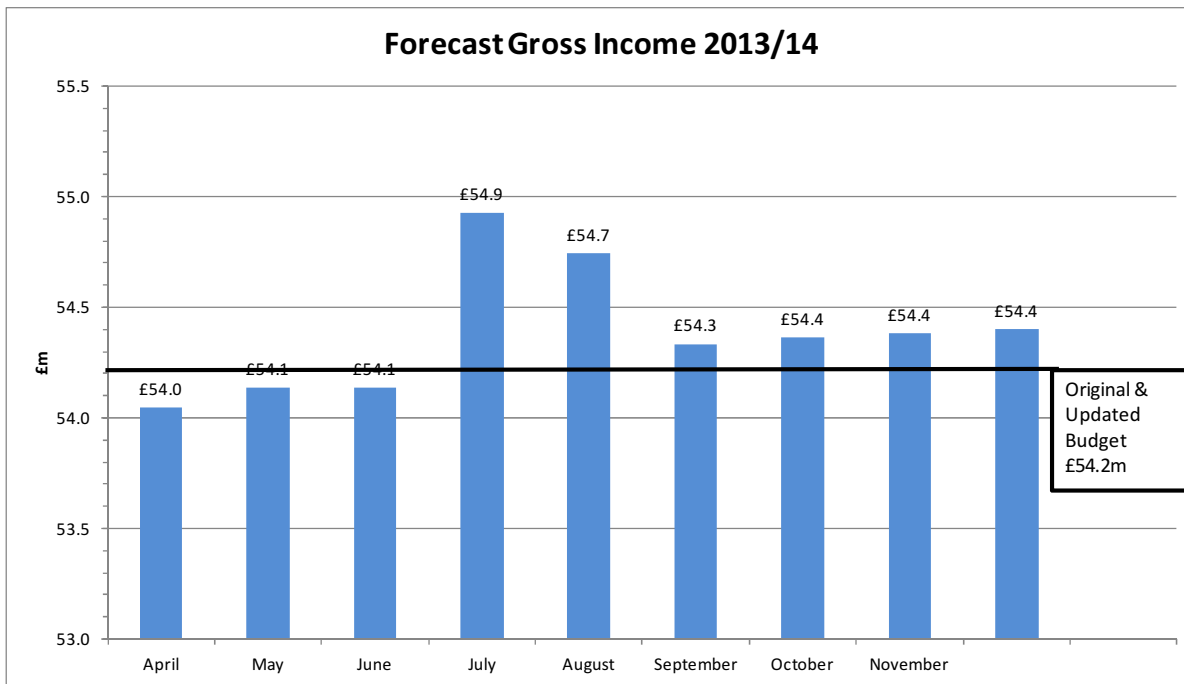
Revenue Income & Expenditure



The Updated Budget is the Original Budget increased to include expenditure brought forward from previous years in respect of delayed projects. The increase in expenditure between June and July is due to a forecast increase in Housing Benefits. The reduction in expenditure, August to date, reflects a general lowering of forecast expenditure across most categories of spend along with managers being more prudent in their spending. The reduction during November reflects rephasing of spend to 2014/15.

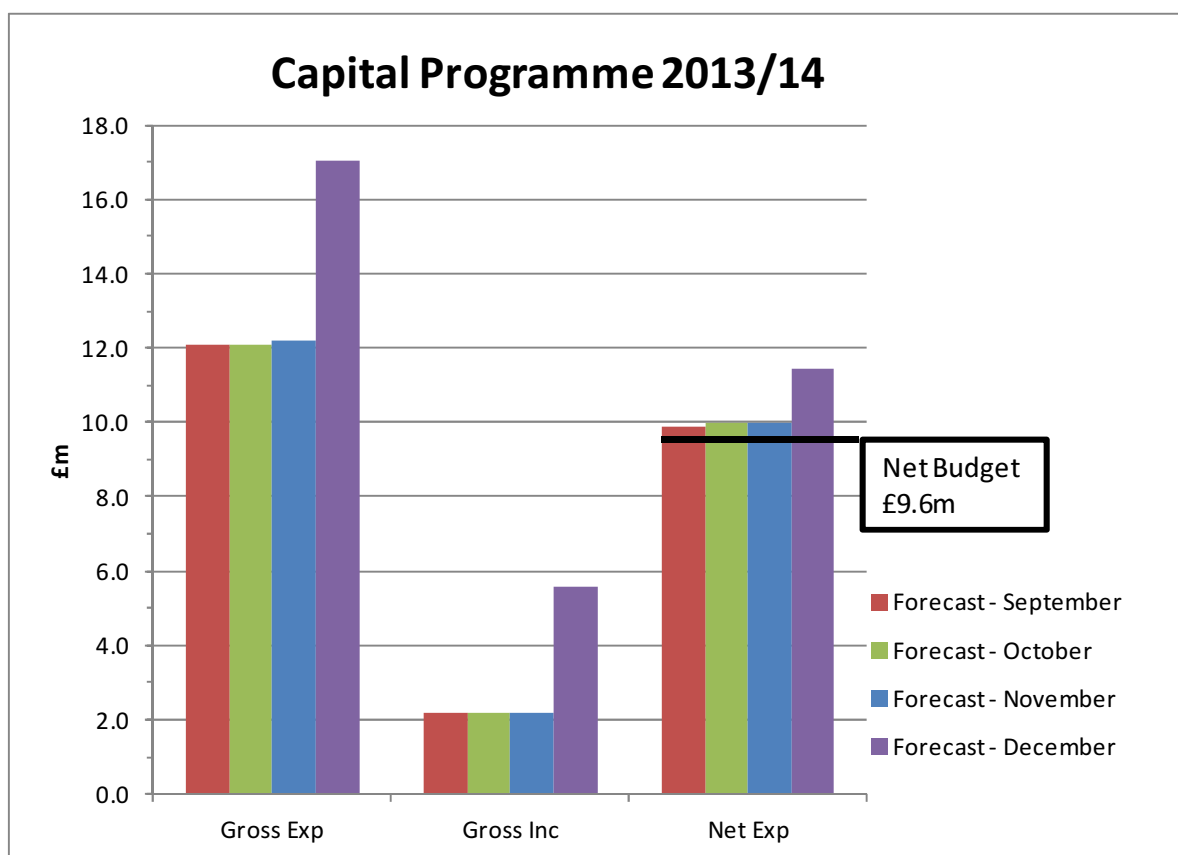


The main items of expenditure included within "Other" are HDC Collection Fund Deficit, Grants to other bodies and net costs associated with S.106 Agreements.



The fall since July is, in part, due to Managers being more robust in reviewing their forecasts as well as more prudent spending. The forecast net expenditure is net of carry forwards to 2014/15.

Capital Programme



The amounts reported in the above graph do not include the Huntingdon West Project as this is now being funded by Cambridgeshire County Council.

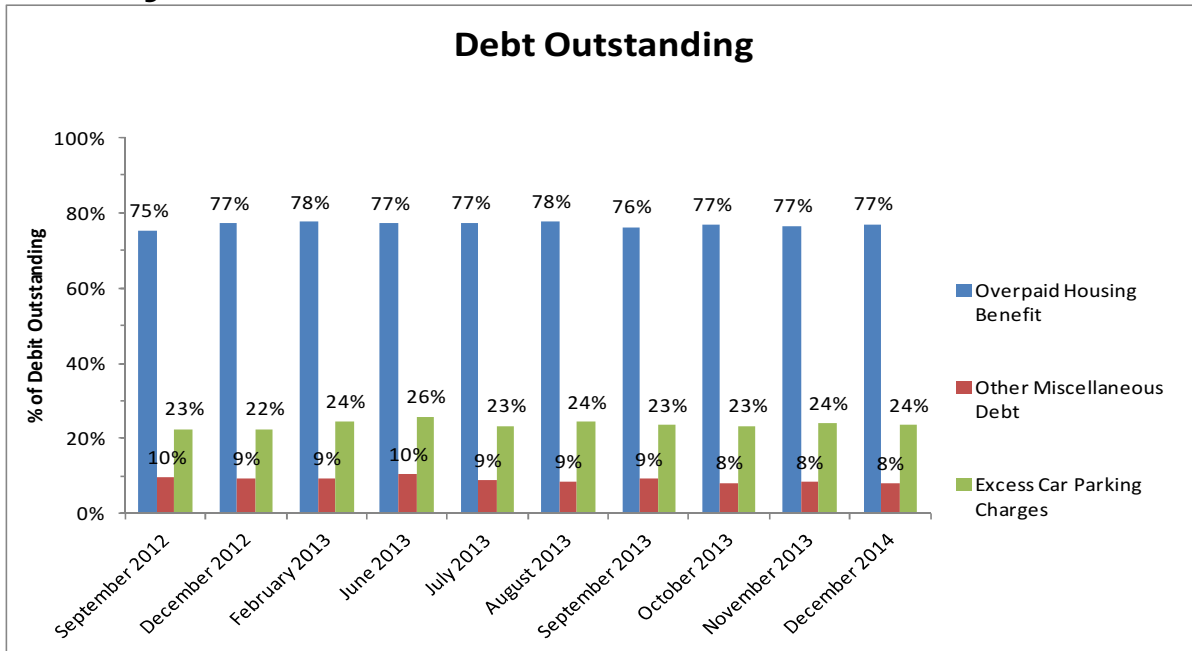
Highlights of Budget Changes From Last Month	
	£000
Gross Budget November	12,177
St Neots Railway Station Enhancements	3,359
Loan to Huntingdonshire Regional College	1,500
Other Changes	(25)
Gross Budget - December	17,011
Contributions and Grants - November	(2,216)
St Neots Railway Station Enhancements	(3,359)
Contributions and Grants - December	(5,575)
Net Capital Programme	11,436

How the 2013/14 Forecast Capital Programme is expected to be financed	
	£000
Gross Expenditure	17,011
Capital Programme: Source of Finance	
- Grants and Contributions	(5,575)
Net Capital Programme	11,436
Other Sources of Finance	
Capital Receipts (Right To Buy Clawback)	(750)
Minimum Revenue Provision	(1,118)
Capital Grants Unapplied Reserve	(318)
Borrowing (Working Capital)	9,250
Movement in Capital Financing	
	£000
Borrowing (Working Capital) - November	7,891
Funding For Local Organisations	1,500
Other Working Capital (Cash etc)	(141)
Borrowing (Working Capital)	9,250

The above table shows that the biggest single item that will be used to finance the 2013/14 capital expenditure is working capital (a mix of loans, investments, debtors, creditors and cash).

What Has Changed from the Capital Programme Net Budget to Net Forecast	
	£000
Original Net Budget	9,570
Scheme Savings	(493)
Additional Scheme Costs	958
Funding For Local Organisations	1,500
Revenue to Capital Transfers	75
Slippage to Future Years	(175)
Net Forecast	11,436

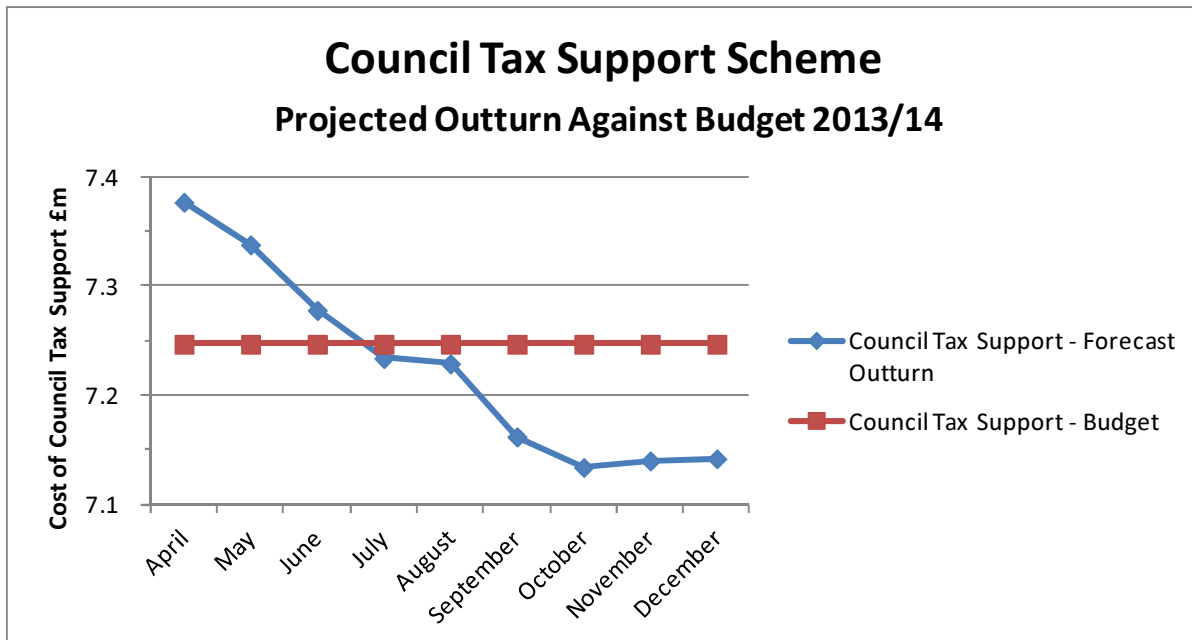
Sundry Debtors



The debt portfolio to the end of December is indicating that the current level of the Bad Debt Provision will be sufficient to meet 2013/14 needs.

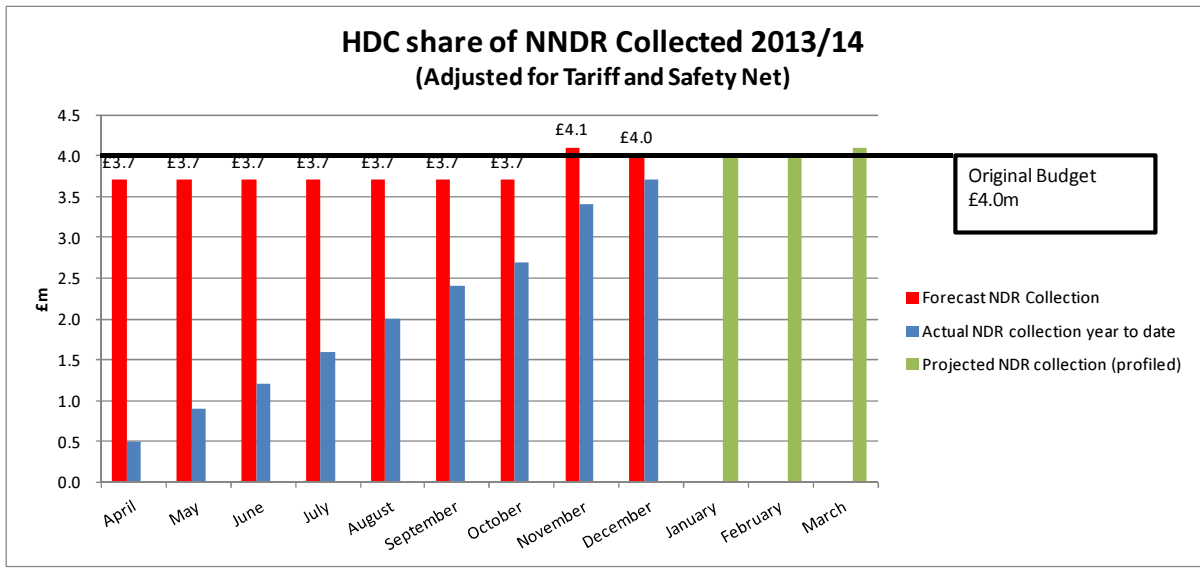
Council Tax Support Scheme

Reflecting improvements in local employment, take-up of the Support Scheme is lower than originally planned. Any 2013/14 saving due to the Support Scheme will impact in 2014/15.



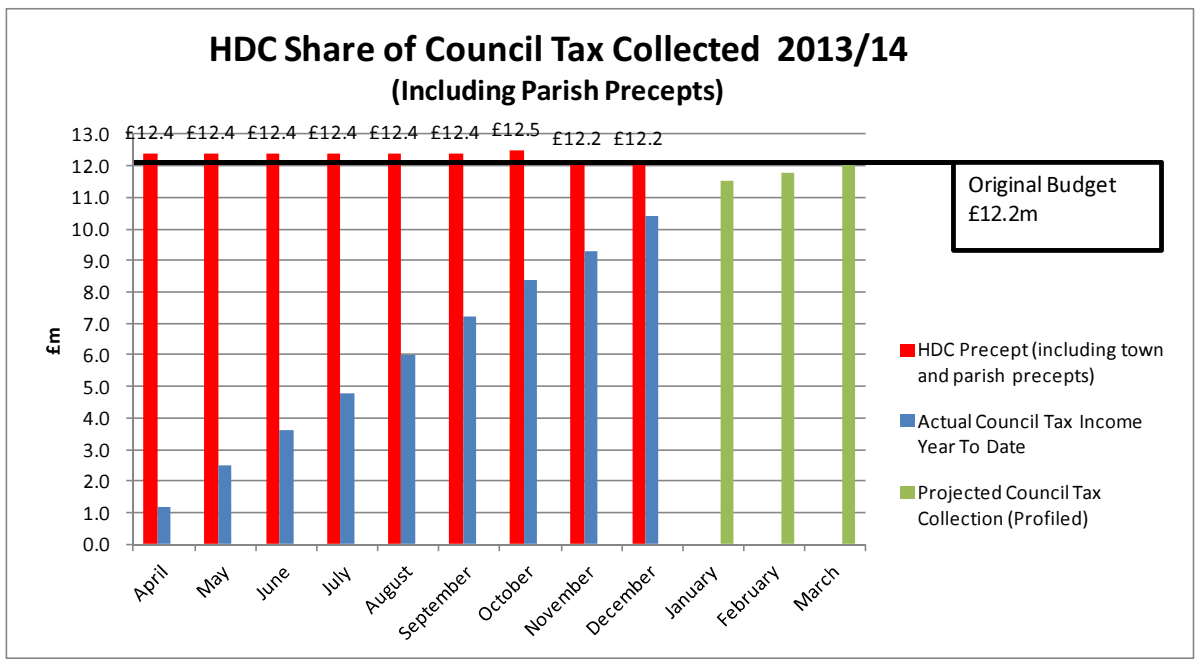
The benefit to HDC will be proportionate to all Council Tax precepts (13.5% for HDC including parishes).

Collection of NNDR and Council Tax



The working assumptions for the forecast had been reviewed for the November forecast as part of CLG’s mid-year review. This review indicated an increase in collectable NNDR with the forecast slightly exceeding the budget, this is considered to still hold true based on December collection. It should be noted:

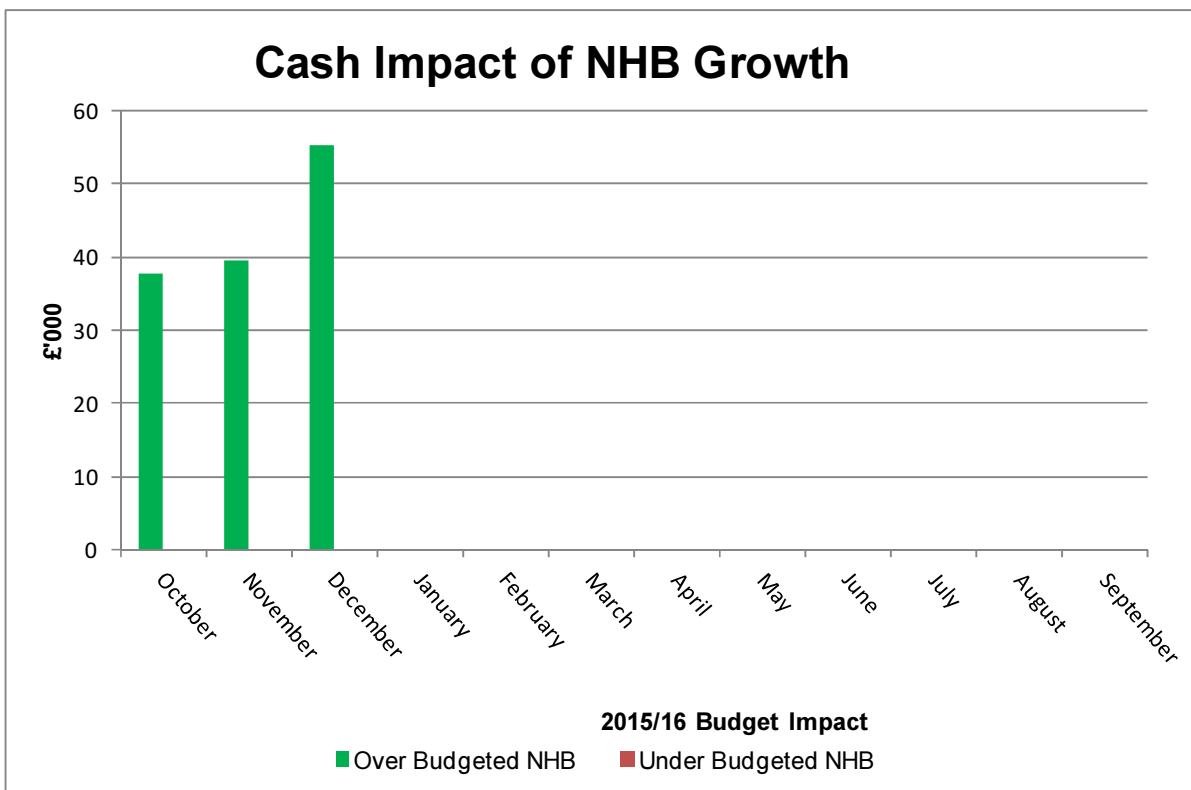
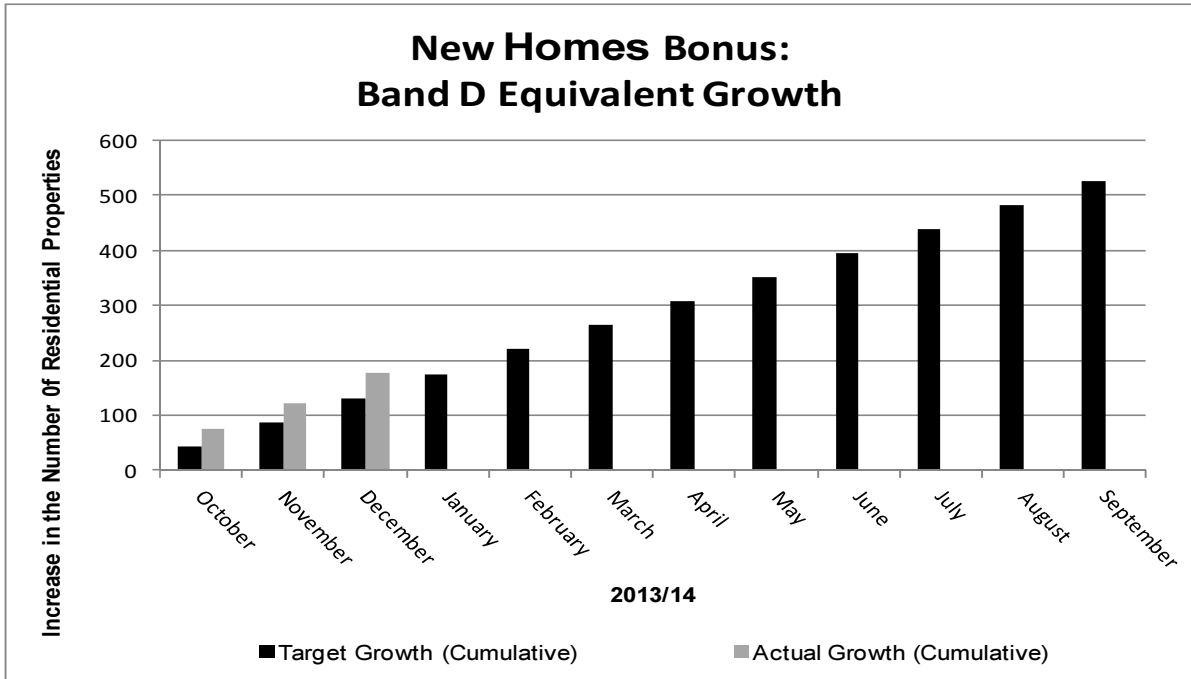
- that any variance from the budget will be felt in 2014/15.
- that the localisation of NNDR has made the modelling of collectable NNDR problematic; this is due to the fact that the position in respect of appeals is extremely volatile and further appeals could again result in a reduced forecast.



Housing growth is on budget. As we are now ¾ through 2013/14, the current forecast of £12.2m is a fair forecast. However, this is of course subject to the impact of any increases in non-payment (which can be seasonal in nature). Any variance will be felt in 2014/15.

New Homes Bonus

The New Homes Bonus reporting cycle is October to September; consequently we have just entered a new reporting period; any income will be attributable to 2015/16. The following forecasts exclude adjustments for long-term empty properties and affordable homes.



Sundry Debt

Collected

The total amount of payments received, less customer refunds and transfers to other debts:

Type of Debt	April to Sept 2013 £000	Oct to Dec 2013 £000	Total £000
Council Tax	52,530	25,801	78,331
NNDR	35,335	15,964	51,299
Sundry Debtors*	5,505	2,747	8,252
Excess Charges	85	47	132
*Excludes payments collected on behalf of BID Huntingdon			

Amounts written off

Whilst the amounts have been written-off in this financial year, some of the original debt would have been raised in previous financial years.

Type of Debt	Up to £5,000			Over £5,000			TOTAL
	April to Sept 2013 £000	Oct to Dec 2013	Total £000	April to Sept 2013 £000	Oct to Dec 2013	Total £000	Total £000
Council Tax	131.1	67.3	198.4	0.0	0.0	0	198.4
NNDR	34.6	35.9	70.5	19.8	56.6	76.4	146.9
Sundry Debtors	48.3	25.9	74.2	0.0	0.0	0.0	74.2
Excess Charges	9.2	3.0	12.2	0.0	0.0	0.0	12.2
Irrecoverable Benefits (HB&CTB)	24.1	27.9	52.0	0.0	10.3	10.3	62.3
Total Debt Written-Off	247.3	160.0	407.3	19.8	66.9	86.7	494.0

Total Debt Written off by end of:	December 2013	272.5	December 2014	160.2	432.7
% of debt written-off:	December to December	+49.5%		-45.9%	+14.2%

The explanation for the change in write-offs to December 2013 compared to the same period the previous year, in respect of the:

- “up to £5,000” category is due to the Revenues Team keeping more abreast of required “write-offs” for Council Tax.
- “over £5,000” category is due to fewer write-offs in respect of Business Rates.

However, the year-end position in respect of:

- Council Tax is expected to be in-line with last year.
- Business Rates, whilst this is lower than at the same time last year, the nature of NNDR write offs is more volatile, with a small number of write offs that can adversely impact the overall figures. Because of this, direct comparisons with previous periods are not always indicative of current or future trends.
-

Authority to write off debts

The Head of Customer Services is authorised to write-off debts of up to £5,000, or more after consultation with the Executive Councillor for Resources, if she is satisfied that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs. The Accountancy Manager deputises in her absence.

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Financial Monitoring – Capital Programme 2013/14

Meeting/Date: Cabinet – 13 February 2014

Executive Portfolio: Resources, Councillor J A Gray

Report by: Assistant Director (Finance and Resources)

Ward(s) affected: All Wards

Executive Summary:

This report highlights the forecast variations from the 2013/14 Capital Programme approved in February 2013. It also includes any member or officer decisions already taken in accordance with the code of Financial Management.

It is based on information available up to the end of December and includes variations which will form part of the revised MTP.

The total forecast variations are;

Capital Variation	2013/14 £000
Net Additional Costs	
Huntingdonshire Regional College Loan	1,500
Other	507
Revenue Transfer to Capital	75
Timing Changes to 2014/15	(122)
Total Variation	1,960

The main reason for the increase from £383,000 reported in November is the capitalisation of the £1.5m loan to Huntingdonshire Regional College.

The revenue impacts are:

Revenue Impact	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
	£000	£000	£000	£000	£000

Recommendation:

It is recommended that Cabinet note the contents of this report.

1. MONITORING OF THE 2013/14 CAPITAL PROGRAMME

- 1.1 The Budget approved in February 2013 was £8.9m after allowing for a provision for schemes brought forward from 2012/13 and carried forward to 2013/14. Subsequent adjustments are summarised below:-

Capital Programme	2013/14 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Total Budget (February 2013)	17,869	9,006	8,863
Add brought forward from 2012/13	3,017	1,810	1,207
Less provision	(500)	0	(500)
	20,386	10,816	9,570
Forecast Cost Variations (Annex A)	(1,593)	(3,600)	2,007
Revenue/Capital Variations (Annex A)	75	0	75
Forecast Timing Changes (Annex B)	(1,763)	(1,641)	(122)
	17,105	5,575	11,530
November Report Forecast	12,130	2,177	9,953
Variations this time	4,975	3,398	1,577

2. SIGNIFICANT ITEMS

2.1 Savings Items

Heart of Oxmoor (-£39,000)

The income received was higher than expected because of a favourable movement in the indexation factor by which it was updated.

2.2 Extra Cost

Loan to Huntingdonshire Regional College (£1.5m)

A report to Cabinet on the 20th June 2013 detailed a request from Huntingdonshire Regional College for a loan of 10 years duration, to fund expansion of their facilities. Cabinet approved the loan on the basis that the Treasury Management Strategy 2013/14 provided for such loans to be made up to a maximum of £25m.

The loan was funded by borrowing £1.5m for 10 years from the Public Works Loan Board.

St Neots Railway Station Enhancements (net nil)

This scheme is to provide enhanced and redeveloped station facilities at St Neots. The £3.4m scheme is being funded by a number of partners

including, as well as the Council, The Department for Transport, First Capital Connect and Cambridgeshire County Council S106 receipts, with a £94,000 contribution from this Council funded from a reduction in the Town Centre Development scheme (see below).

2.3 Timing Changes

Town Centre Developments (-£115,000)

The slippage on this scheme has reduced by £94,000 since last reported because of the intention to make a contribution to the St Neots Railway Station enhancements scheme.

Private Sector Housing Grants (-£62,000)

The slippage on this scheme to provide grants for disabled adaptations, has increased by £30,000 since last reported, because although grants have been committed they are unlikely now to complete before the end of 2013/14.

Salix Projects (-£42,000)

Slippage has resulted from delays due to the undertaking of more complicated but more cost effective procurements.

2.5 Revenue/Capital Transfers

Where appropriate, such transfers will be undertaken as they provide beneficial revenue impact.

3 REVENUE IMPACT

3.1 The revenue impact on the MTP of the 2012/13 outturn and subsequent variations is shown below.

Revenue Impact	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
	£000	£000	£000	£000	£000
Timing Changes 2012/13 to 2013/14	(47)	0	0	0	0
Cost Variations	4	23	25	27	26
Timing Changes 2013/14 to 2014/15	(1)	(12)	0	0	0
Revenue/Capital Transfers	(74)	8	9	9	9
Revenue variations - Timing changes \$	62	71	8	8	(7)
TOTAL FORECAST VARIATION	(56)	90	42	44	28

\$ The main item is delay on the Multi-storey car park and the associated income

N.B. This table is based on a simplified approach for identifying the revenue impact of capital expenditure. Allowance has also been made for any revenue elements of the changes as identified in the relevant MTP bid proposals.

4 PROJECT REVIEWS

- 4.1 Reports will be presented on the two schemes with significant increases, One Leisure St Ives Redevelopment and Multi-Storey Car Park, once the final position is established.

BACKGROUND PAPERS

Capital programme and monitoring working papers.
Previous Cabinet reports on capital expenditure.

CONTACT OFFICER – Steve Couper ☎ 01480 388103

ANNEX A

Forecast Cost Variations	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Savings			
Printing Equipment	(45)	0	(45)
Wheeled Bin Replacements	(24)	0	(24)
Wheeled Bins For New Properties	(119)	0	(119)
District Heating	(30)	0	(30)
Huntingdon West Development	(6,660)	(6,637)	(23)
Disabled Facilities Grants	0	57	(57)
Decent Homes	(31)	0	(31)
Rural Renewal	(63)	0	(63)
Perry Cycleway	(9)	0	(9)
Flail Mower	(2)	0	(2)
Mobile Working	(5)	0	(5)
Heart of Oxmoor	0	39	(39)
VAT Partial Exemption	(4)	0	(4)
	(6,992)	(6,541)	(451)
Extra Cost (Invest to Save)			
CCTV Wireless Upgrade	40	0	40
Pool Vehicles	60	0	60
Extra Cost (Other)			
Extra Car Parking Huntingdon	119	(250)	369
One Leisure St Ives Redevelopment	321	(168)	489
	540	(418)	958
Externally Funded Scheme			
St Neots Railway Station Enhancements	3359	3359	0
Funding For Local Organisations			
Huntingdonshire Regional College Loan	1,500	0	1,500
TOTAL COST VARIATIONS	(1,593)	(3,600)	2,007
Revenue to Capital Transfers			
Mobile Home Park Caravan	30	0	30
Flail Mower	12	0	12
Wheeled Bins	22	0	22
Call Centre Replacement	11	0	11
CAPITAL/REVENUE TRANSFERS	75	0	75

New item this time
No change from previous report
Adjusted value this time

ANNEX B

TIMING CHANGES TO 2014/15 AND BEYOND	2013/14 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Environmental Strategy	(50)	0	(50)
Sustainable Homes (Green Houses)	0	(415)	415
Camera Replacements	36	0	36
Vehicle Fleet Replacements	(191)	0	(191)
Disabled Facilities Grants	(512)	0	(512)
Loves Farm Community Centre	(550)	(513)	(37)
One Leisure St Ives s106	0	(53)	53
Replacement Fitness Equipment	(280)	0	(280)
Pathfinder House Site	0	(420)	420
Multi-functional Devices	(80)	0	(80)
Document Centre Equipment	(48)	0	(48)
Chequers Court Public Realm	(240)	(240)	0
Charges for Second Green Bin	12	0	12
Private Sector Housing Grants	(62)	0	(62)
Play Equipment	(21)	0	(21)
Business Systems General	(20)	0	(20)
Town Centre Developments	(115)	0	(115)
Deferred Schemes Provision	400	0	400
Salix Projects	(42)	0	(42)
	(1,763)	(1,641)	(122)

New item this time
No change from previous report
Adjusted value this time

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BUDGET UPDATE - COUNCIL TAX FREEZE GRANT

DCLG have now confirmed this will be added to the base rather than just being for 2 years.

Hence this update to various tables.

Numbers that have changed are highlighted in **yellow**.

There will also be a change to the tables in the Appendix from the consequential reduction in the risk contingency. Rather than replace these it is proposed to change the first recommendation to:

“Approval of the proposed Budget and MTP as shown in the Budget Tables in the Appendix to this report, **subject to the amendments shown in the Budget Update note and any detailed consequential amendments to the Tables**”.

PARA 7.3

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
BASE OPTION					
Council Tax Increase	£0	2%	2%	2%	2%
After Risk Provision	£0	£0	2%	2%	2%
OPTION 1	£5	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-205	-285	-305	-324	-343
OPTION 2	2%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-71	-147	-163	-176	-189
OPTION 3	1.5%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-33	-108	-122	-134	-145
OPTION 4	1%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	5	-69	-82	-92	-102
OPTION 5	£0	2%	3.5%#	3.5%	3.5%
CHANGE IN SAVINGS NEEDED		-72	-202	-339	-488
+ = more required - = less required					

PARA 8.3

PROPOSED BUDGET/MTP	FORECAST 2013/14	BUDGET 2014/15	MTP			
			2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
2012/13 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,447	-3,272
NEW FORECAST	21,126	20,870	20,389	20,294	20,780	21,869
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-355	-389	-608
<i>Remaining revenue reserves EOY</i>	10,032	9,027	7,910	7,555	7,166	6,558
New Homes Grant	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	-82	-82	-82
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

PARA 8.4

PROPOSED BUDGET/MTP	FORECAST 2013/14	BUDGET 2014/15	MTP			
			2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
Forecast additional borrowing	11,041	3,823	2,111	3,545	3,614	3,069
Average borrowing in year net of Minimum Revenue Provision	31,883	37,945	39,104	39,857	41,103	41,798
Net Interest and Borrowing Costs						
- total	1,444	1,903	2,282	2,460	2,976	3,587
- as % of total net spending	6.8%	9.1%	11.2%	12.1%	14.3%	16.4%
- in excess of 15%						307

Public
Key Decision

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	BUDGET 2014/15 AND MEDIUM TERM PLAN 2015 to 2019
Meeting/Date:	Cabinet – 13 February 2014
Executive Portfolio:	Resources
Report by:	Assistant Director, Finance and Resources
Ward(s) affected:	All

Executive Summary:

The purpose of this report is to allow the Cabinet to make its recommendations to Council on 26 February on the Council's Budget, Medium Term Plan and Council Tax level for 2014/15.

Although generally anticipated, this Council's Formula Grant fell by 24% for 2014/15.

The proposed top-slicing of New Homes Bonus did not take place, which significantly reduces the immediate pressure for savings.

The Government has offered a Council Tax Freeze Grant for 2014/15 of 1% for two years. The limit on Tax increases that would be permitted without a positive referendum result will not be announced until mid-February but it is rumoured that it will be less than 2%. The Minister has indicated that there will be no special arrangements for low taxing Districts like Huntingdonshire next year. In order to allow debate of all options the proposed budget is currently based on no Council Tax increase for 2014/15. Future Tax levels are based on 2% per year but allowance is made in the Risk Provision for a nil rise in 2015/16 in case the position mirrors what may emerge this year.

Savings continue to be successfully identified and delivered and this will result in forecast savings of £1.6M this year (£0.5M is as a result of projects being delayed until next year leaving a net benefit of £1.1M). This means that our reserves at the beginning of April will be £10M after using £0.6M from reserves to balance the budget.

Provision has been specifically made for the most significant or more certain risks.

A balance has been taken between progress on savings and the use of reserves in order to ensure that savings are properly targeted and effectively delivered to manage service impact. It also results in more comfortable reserve levels over the next few years when the greatest uncertainty on Government Funding levels is anticipated. Unidentified savings of £0.7M for 2015/16 rising to £2.1M in 18/19 are required and the Facing the Future exercise will form a base for identifying these.

The resulting Budget and MTP:

PROPOSED BUDGET/MTP	FORECAST	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
2013/14 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186
PROPOSED 2014/15	21,126	20,870	20,389	20,294	20,863	21,955
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-437	-555	-776
Remaining revenue reserves EOY	10,032	9,027	7,910	7,473	6,918	6,142
New Homes Bonus	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	0	0	0
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

The Council's Chief Financial Officer considers that the budget for 2014/15, is sufficiently robust and that there are adequate reserves though he draws attention to:

- the need to make prompt progress with identifying the savings required for future years especially recognising the major and increasing reliance on New Homes Bonus which may be vulnerable to change.
- The importance of effective financial monitoring.

Recommendations:

That Cabinet Recommend to February Council:

- Approval of the proposed Budget and MTP as shown in the Budget Tables in the Appendix to this report.
- Acceptance that the 15% limit on Net Interest and Borrowing Costs has been breached but that the actions described in Para. 8.6c be undertaken over the next year to mitigate the impact.
- A Council Tax level for 2014/15.

That Cabinet endorse, subject to Council approving the Budget,

- the additional approvals required for those MTP schemes highlighted in Appendix – Table 4.

1 PURPOSE

- 1.1 The purpose of this report is to allow the Cabinet to make its recommendations to Council on 26 February on the Council's Budget, Medium Term Plan and Council Tax level for 2014/15.

2 BACKGROUND

- 2.1 The budget/MTP approved in February 2013 was as shown below:

APPROVED 2013 BUDGET/MTP	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
FORECAST	22,764	22,198	22,755	23,046	24,227
FUNDING					
Use of revenue reserves	-2,254	-2,084	-1,458	0	0
Remaining reserves EOY	8,542	6,458	5,000	5,000	5,000
New Homes Bonus	-2,905	-3,505	-4,489	-5,964	-6,832
Formula Grant (RSG)	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-76				
Council Tax	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£133.18	£137.85	£142.67	£147.67	£152.84
% increase	3.63%	3.51%	3.50%	3.50%	3.50%
£ increase	£4.67	£4.67	£4.82	£4.99	£5.17
Unidentified Spending Adjustments still required	0	-1,500	-1,856	-2,687	-2,637

- 2.2 In September a Forecast Report was presented to Council which took account of:

- the 2012/13 outturn
- reduced Formula Grant (RSG)
- a top slice of New Homes Bonus (NHB) to be transferred to the Local Enterprise Partnership (LEP)
- a list of targeted savings.

2.3 This gave the following position:

SEPTEMBER 2013 FORECAST	FORECAST	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
FORECAST	22,962	22,090	19,768	19,950	21,159	22,166
FUNDING						
Use of revenue reserves	-2,752	-2,386	-1,435			
Remaining reserves EOY	8,821	6,435	5,000	5,000	5,000	5,000
New Homes Bonus	-2,905	-3,505	-3,142	-4,175	-4,782	-5,182
Formula Grant (RSG)	-6,019	-4,500	-2,995	-2,995	-2,995	-2,995
Retained Business Rates	-3,704	-3,817	-3,913	-4,011	-4,111	-4,214
Collection Fund Deficit	-76					
Council Tax	-7,506	-7,882	-8,323	-8,810	-9,311	-9,816
COUNCIL TAX LEVEL	£133.18	£137.85	£142.67	£147.67	£152.84	£158.19
% increase	3.63%	3.51%	3.50%	3.50%	3.50%	3.5%
£ increase	£4.67	£4.67	£4.82	£4.99	£5.17	£5.35

Savings Required:						
a) Targetted		1,377	1,852	2,050	2,090	2,090
b) Unidentified		138	2,620	2,948	3,181	3,694

2.4 Due to the continued uncertainty in many areas it was decided not to produce a Draft Budget/MTP in December but only to provide an update to the Forecast Report. Before the report reached Council it had to be updated to reflect the very late notification of the draft local government finance settlement.

2.5 This gave the proposed reductions in Formula Grant for 2014/15 and 2015/16 but also the very good news that New Homes Bonus would not, after all, be top sliced this year. It resulted in the position below:

December 2013 Update REVENUE SAVINGS	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
From September Forecast Report					
Targetted	-1,377	-1,852	-2,050	-2,090	-2,090
Unidentified	-138	-1,273	-1,159	-1,131	-1,473
total	-1,515	-3,125	-3,209	-3,221	-3,563
% of Budget	6.4%	12.9%	12.9%	12.2%	12.7%
Identified so far (from above)	-719	-1,532	-1,702	-1,848	-1,794
Still required	-796	-1,593	-1,507	-1,373	-1,769
% of Budget	3.4%	6.6%	6.0%	5.2%	6.3%

3. SUBSEQUENT CHANGES IN SPENDING

- 3.1 The **savings** included in the original budget and those subsequently identified as “targeted” savings are being monitored and the latest forecast of their achievements in both value and timescale are included in the proposed MTP. The Facing The Future exercise has also identified a significant number of potential savings in the “No significant service impact” category and many of these have also been included.
- 3.2 There have also been some **increased costs** identified. Examples include the latest forecasts of car parking income and the fact that the County Council have informed us that they will require us to pass the net surplus on on-street parking to them in future to fund their Transportation schemes.
- 3.3 The impact of the **Pension Fund Revaluation** has also been assessed. Whilst it requires further increases the MTP already included provision for much of this and because the new requirement is staggered it produces significant savings for 2014/15 (£589k) which reduces until additional funding of £156k per year is required from 2017/18. There is also a change to the regulations from April that makes all overtime pensionable with the added cost of contributions being £67k.
- 3.4 The table below summarises these changes:

SPENDING ADJUSTMENTS since the December Update Report	FORE CAST	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
Savings - Facing the Future	-100	-377	-496	-511	-476	-476
Savings - Other	-57	-121	-220	-166	-167	-172
Extra expenditure	151	123	129	136	147	150
Technical - Pensions	0	-522	-216	159	223	223
Technical - Reduction in Unidentified Savings	0	1,500	1,156	1,387	837	1,274
Technical - Other	-661	-133	-274	-538	-166	26
Risk Provision	-20	-1,078	-912	-1,516	-1,913	-2,415
Total	-687	-608	-833	-1,049	-1,515	-1,391

The **Appendix – Table 6** shows all the variations with those post the December report having a black highlight in the first column.

4. FUNDING

- 4.1 Information about the **Council Tax Freeze grant** has been received and the Council would receive £82k in 2014/15 and 2015/16 if it were to freeze or reduce its current Council Tax level of £133.18 for 2014/15. There have been suggestions that such grants would be built into the base so they would be permanent but the letter received from the government makes no reference to this and so the figures in this report just assume the two years.
- 4.4 Part of the draft settlement was the information on Retained Business Rates for 2014/15 and 2015/16. Members will recall that during this first year of the retention it

has been very difficult to forecast the expected levels with any degree of precision due to the significant number of valuation appeals still awaiting determination. Successful appeals are usually backdated for a number of years making the result very volatile. During the latter part of the current year it has become clear that we may achieve the Government's assumed base level. The approach taken in the proposed MTP is therefore to assume that the base line figures will be achieved but to include in the Risk Contingency a sum half way between the base line and the safety net level.

5. OUTSTANDING ITEMS

5.1 The following items are still outstanding and will require assumptions to be made in order to finalise the budget:

The limit for Council Tax increases without a positive referendum

The Government had signalled a limit of 2% but has now stated that the figure will not be released until the second week of February. There are strong rumours that the limit will be less than 2%. Obviously any reduction below 2% considerably weakens the argument for an increase even recognising the longer term impact on the base. This report is therefore based on a freeze for 2014/15 and section 7 below outlines the impact of alternative decisions.

Pay Review

The figures contained in the report to Cabinet's January meeting include some forecasts and two contingency elements.

Continued Uncertainty

Assumptions on Formula Grant post 2015/16 continue to show reductions but could be subject to significant change. The New Homes Bonus process could be amended as originally proposed this year or in some other way.

6. RISK PROVISION AND OTHER POTENTIAL RISKS

6.1 The Risk Provision included in the MTP is shown below:

Risk Provision in MTP	14/15	15/16	16/17	17/18	18/19
	£000	£000	£000	£000	£000
Formula Grant reduction due to New Homes Bonus		100	200	200	200
Reduced New Homes Bonus (long term empty properties)	0	60	70	80	90
Provision for demographic growth #	0	90	180	150	240
Zero tax rise in 2016/17 with 1% reward grant for 2 years		72	77	165	172
Pay Protection and Performance Pay	184	114	274	427	565
Homelessness	50	100	100	0	0
NNDR - Appeals (Half way between base level and safety net)		150	150	150	150
Repayment of land charge fees - assume half	86	0	0	0	0
	320	686	1,051	1,172	1,417

Cost of extra refuse round included in MTP for 2017/18 set-off

6.2 **Annex A** provides a list of other risks that could affect the Council during the MTP period for which no financial adjustment has been made. If they result in an increase in net cost, this will have to be met from revenue reserves until other savings can be achieved.

7. COUNCIL TAX INCREASES

7.1 Huntingdonshire continues to have a very low level of Council Tax. In the current year the Council's £133.18 charge (Band D) was 28th lowest of the 201 District Councils which have an average of £167 and a maximum of £316. Almost two thirds of Huntingdonshire's properties are in Bands A to C and so have a lower Tax level.

7.2 As referred to above the Government is encouraging authorities not to increase Council Tax for 2014/15 with the offer of a special grant approximating to 1% of 2013/14 Council Tax income for two years.

7.3 Last year Huntingdonshire was permitted to increase its Council Tax by almost £5 (3.63%) because it had one of the lowest 20% of Council Tax levels. It is not anticipated that this offer will be repeated. However, to cover every eventuality the following table compares the impact of a number of scenarios compared to the base assumption of no increase this year and effectively no increase in 2015/16 either. This is because provision is included in the Risk Contingency for the headline level of 2% not being attractive in the light of the combination of the Government's limitation rules and reward grants for 2015/16. 2% per year is assumed post 2015/16.

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
BASE OPTION					
Council Tax Increase	£0	2%	2%	2%	2%
After Risk Provision	£0	£0	2%	2%	2%
OPTION 1	£5	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-205	-285	-381	-481	-501
OPTION 2	2%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-71	-147	-239	-334	-347
OPTION 3	1.5%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	-33	-108	-198	-291	-303
OPTION 4	1%	2%	2%	2%	2%
CHANGE IN SAVINGS NEEDED	5	-69	-158	-249	-259
OPTION 5	£0	2%	3.5%#	3.5%	3.5%
CHANGE IN SAVINGS NEEDED		-72	-196	-415	-564

+ = more required - = less required

Previous policy was a rise of 3.5% per year.

7.4 It is assumed that £5 would only be considered if it was permitted by the Government. If it was not it would require a positive referendum result. This would be

a very high risk without any guarantee of a return because a referendum would cost around £70k even if at the same time as the European Elections. If unsuccessful, rebilling would amount to a further £70k.

8. RESERVES OR SAVINGS

- 8.1 Once the net cost of services and the main funding elements have been determined or estimated there are only two ways left to balance the budget each year. One is to use our revenue reserves until they reach the minimum prudent level and the other is to identify further savings targets.
- 8.2 Whilst the Facing the Future savings exercise is progressing well there are still many months of work to be undertaken before all of the 460 items have been researched to the point of having definite savings levels and phasing. Given this situation it would not be prudent to assume an over-optimistic level of savings for 2015/16. However it would also be inappropriate to reduce reserve levels too quickly because, as mentioned previously, there are major uncertainties about future Government Funding to Local Authorities. It is clear that further reductions will take place post 2015/16 and the scale of potential changes to the New Homes Bonus, which is an increasingly major element of the Council's funding, was highlighted earlier in the year.
- 8.3 Thus a mid-course has been taken involving both targeting savings and the use of reserves each year to give the following position.

PROPOSED BUDGET/MTP	FORECAST 2013/14 £000	BUDGET 2014/15 £000	MTP			
			2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
2013/14 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186
PROPOSED 2014/15	21,126	20,870	20,389	20,294	20,863	21,955
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-437	-555	-776
Remaining reserves EOY	10,032	9,027	7,910	7,473	6,918	6,142
New Homes Bonus	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant		-82	-82	0	0	0
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

8.4 Last year Council agreed that an MTP with Interest and Borrowing Costs in excess of 15% of net expenditure would need specific consideration. The table below shows the position for the proposed MTP:

PROPOSED BUDGET/MTP	FORECAST	BUDGET	MTP			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
Forecast additional borrowing	11,041	3,823	2,111	3,545	3,614	3,069
Average borrowing in year net of Minimum Revenue Provision	31,883	37,945	39,104	39,857	41,103	41,798
Net Interest and Borrowing Costs						
- total	1,444	1,903	2,282	2,460	2,978	3,592
- as % of net spending	6.8%	9.1%	11.2%	12.1%	14.3%	16.4%
- value in excess of 15%						299

8.5 The 2018/19 forecast Net Interest and Borrowing Costs would have represented 14.3% of the current MTP's forecast of Net Spending of £25,141k. It is the fall in spending due to the savings targets that has increased the percentage to 16.4%.

8.6 Cabinet have three options:

- a) To insist that the 15% limit is maintained by reducing capital expenditure. It may not be possible to reduce the capital programme sufficiently to achieve this given the fact that it is relatively low in historical terms and concentrates on those items that are necessary to preserve services (e.g. refuse freighters or IT equipment), preserve buildings (e.g. major maintenance) or is a statutory requirement (e.g. Disabled Facilities Grants). To save a revenue impact of £299k would require capital reductions of approximately £3M.
- b) To insist that the 15% limit is maintained by funding some of the schemes from revenue. The revenue impact of achieving the limit by this method would be in the order of £3M though this would create savings of £300k per year thereafter. It is difficult to recommend considering such a move until the majority of the savings target is seen to be achievable.
- c) To agree to recommend the current MTP to Council. The MTP proposal to increase the volume of margin-making loans to fund relevant projects with appropriate partners will lead to a reduction in the excess (£30M of loans with a 1% margin would cover the £299k). A careful review of the capital programme can also be programmed into the coming year to see if there are any possibilities of savings (this is certainly possible on the IT front if we have a shared service with LGSS due to their additional market leverage).

8.7 The following annexs showing the detail of the proposed Budget and MTP:

Appendix – Table 2

Overall Budget and MTP – Subjective analysis

Appendix – Table 3

Head of Service Budgets – Subjective and Objective analysis

8.8 **Appendix – Table 4** shows all the MTP variations from the 2013/14 approved budget level. This includes the variations included in last year's MTP together with the new variations this year shown in **Table 5**. All items can proceed on the decision of the relevant Head of Service except those that are highlighted as needing the additional levels of approval shown.

9. RESERVES AND THE ROBUSTNESS OF THE 2014/15 BUDGET

9.1 The Local Government Act 2003 requires the Assistant Director, Finance and Resources, 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 B** and confirm that the budget is adequately robust and that, in his view, the level of revenue reserves is currently above the minimum level required.

10. CONSULTATION AND COMMENTS

10.1 This report will be considered at a meeting of the Overview and Scrutiny (Economic Wellbeing) Panel on the 6 February and a consultation meeting with members of the business community on 10 February. Comments from both meetings will be reported to Cabinet.

11. PRUDENTIAL CODE

11.1 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.

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services

Working Papers - Files in Financial Services

Project Appraisals

2013/14 Revenue Budget and the 2014/18 MTP

Forecast Report

December 2013 Update Report

Contact Officer: Steve Couper

Assistant Director, Finance and Resources ☎ **01480 388103**

ANNEXS

- A Risks for which no or limited provision has been made in the Risk Contingency
- B Chief Financial Officer's statement on robustness of budget and adequacy of reserves (including information about main assumptions and sensitivity analysis)

SEPARATE APPENDIX OF BUDGET TABLES

Table

- 1 Overall Summary
2. Overall Budget and MTP – Subjective analysis
3. Head of Service Budgets – Subjective and Objective analysis
4. All MTP variations from the 2013/14 base, highlighting those needing approval before commencement. i.e. previous years and current years approvals
5. All MTP changes to the current approved MTP (Those since the December update report have a black indicator in the first column.
6. Capital Programme

OTHER POTENTIAL RISKS

The most fundamental issue is the speed with which the UK economy will grow and its impact on Government funding of local authorities and the resources of Huntingdonshire residents. There are conflicting views on the scale and speed of this recovery and so it is difficult to forecast the impact on:

- Income from planning fees, building control fees and leisure charges.
- House building and hence New Homes Bonus (15% caution built in)
- More applicants for housing and council tax benefit
- Higher homelessness costs (£50k provision in 2014/15)
- Reductions in Government Grant (assumption made post 2015/16 but limited data to base this on)

Other issues include:

- Delivery of the items contained in identified savings
- Identification and consequent delivery of items to achieve the level of unidentified savings required in future years.
- Levels of pay awards, inflation and interest rates
- Results of Pay Review (reasonable estimate included with some contingency provision)
- Ability to maintain income levels
- Impact of variations in retained Business Rates (very volatile due to appeals)
- Change in Pension Fund contributions payable from April 2018 as a result of the three yearly revaluation.
- Impact of changes to the benefits systems on homelessness levels and the ability to collect Council Tax.
- High priority service developments not already in the MTP and any unavoidable spending requirements (e.g. planning appeals)
- The potential for costs relating to “orphan” contaminated land sites
- Repayment of past land charge fees (part provision in contingency)
- Low demand for sites in Huntingdon e.g. assumed sale of plot fronting St. Mary’s Street.

RESERVES AND THE ROBUSTNESS OF THE 2014/15 BUDGET

The Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the 2014/15 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax.

Robustness

The Council has tended in recent years to underspend its budget. This demonstrates that there is an element of prudent budgeting and that managers have taken a mature approach to budgetary control rather than simply spending any spare sums on low priority items. As budgets further tighten this opportunity will significantly diminish.

The Internal Audit and Risk Manager considers that our internal financial controls are working adequately. There is also a sound system of financial monitoring which has been developed further this year and will be further extended next year to ensure that any non-achievement of budgets is promptly recognised and reported. The process this year has been used to ensure that any necessary budget variations have fed into this budget/MTP process.

The 2014/15 budget has been prepared using the budget for 2013/14 as a base, and amending it for known changes, particularly:

- Inflation including a 1.5% provision for an April 2014 pay award. There will be no performance pay in 2014/15. Pay is by far the most significant inflation element.
- The impact of the 2012/13 outturn and forecast spending for 2013/14.
- Variations in existing budgets and MTP schemes together with new MTP proposals. A significant number of these reflect savings rather than extra costs.

There have been some proposals in previous MTPs that included an element of challenge which has not always turned out to be achievable. I am satisfied that adjustments have generally been made to remove or minimise any such levels of uncertainty.

There will always be some items that emerge after the budget has been prepared. These may be the non-achievement of an MTP item or some new unexpected item. These will first be met by any compensating savings that have emerged elsewhere in the budget but, if this is not possible, from reductions in service provision or the use of revenue reserves.

The most significant potential risks to the budget are:

- higher inflation
- further reductions in income
- non-achievement of planned savings
- failure of a borrower
- an emergency (e.g. flooding)
- increased demands on services (e.g. benefits or homelessness)
- Level of retained Business Rates

Tables at the end of this Annex show the key assumptions and the financial impact of changes over the MTP period but the figures quoted below are the potential impact on the 2014/15 budget.

Inflation

A 1% increase in pay would cost £200k

A 1% increase in general inflation (excluding pay), assuming no compensating increase in fees and charges was possible, would result in a net cost of approximately £175k.

An increase in interest rates of 1% would cost £96k.

Reduced Income

A 1% loss of income from fees, rents, charges and recharges would amount to around £178k. The largest areas susceptible to variation are:

- Car Parks £1.8M
- Leisure Centres £7.5M
- Property £2.0M
- Planning and Building Control Fees £1.9M

Non Achievement of Planned Savings

There is clearly no guarantee that all savings will be achieved within the timescales shown. In total the additional savings target over the current year's forecast is around £2.9M which includes significant sums relating to the new pension contribution levels and the pay review. However, it is also likely that some more of the items from the Facing the Future review will start to impact in 2014/15 and this will help counteract any difficulties with the items already included.

Failure of a Borrower

The maximum permitted with one counterparty is £8M but this is only possible where £3M 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. In most cases the limit is £5M which is restricted to bodies with the highest credit rating or Building Societies with more than £2 billion in assets.

An emergency

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).

Increased demands on services

The services most susceptible to increased demand that would have a significant revenue impact are homelessness and Council Tax Support.

Retained Business Rates

Since the introduction of this new element of funding for authorities in April 2013 it has become increasingly clear that the levels that the authority will be able to retain are very difficult to forecast. Whilst there are some opportunities for estimating when new buildings will be completed once they have started it is very difficult to judge when development will

commence on allocated land even if planning permission has been granted.

It is even more difficult to estimate the results of appeals against the valuation set by the Valuation Office Agency. These appeals sometimes take years to finalise and are often backdated for a number of years, drastically adding to the volatility.

Other variations can result from property being burnt down (e.g. the public house/restaurant at Hartford Marina) or demolished.

The revenue impact is limited by the existence of a safety net which limits our loss to around £300k and a contingency has been included for half this sum.

Revenue Reserves

Theoretically, though it is extremely unlikely, all of the above items could occur next year in which case it is critical that the Council has sufficient reserves to fund unavoidable additional costs pending the introduction of compensating service savings.

Reserves are forecast to be £10.0m at April 2014 and reduce to £9.1m by March 2015 in order to support revenue spending. This is still significantly above what would be considered a safe minimum level when considering the 2014/15 budget in isolation but clearly not excessive given the future uncertainties on Government financial support and the need for further significant savings.

Therefore, even if a number of unexpected additional costs emerged there would still be sufficient funding to cover the deficit for 2014/15.

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 2014/15.

However, for future years, it remains critical that:

- Effective progress is made in identifying how the Unidentified Savings for future years will be achieved and where practicable these are brought on-stream as soon as possible recognising the major and increasing reliance on New Homes Bonus which may be vulnerable to change.
- That careful monitoring continues to take place recognising that there are certain key areas subject to volatility. These include income from fees and charges, homelessness, the level of housing completions that result in New Homes Bonus and the level of retained Business Rates.

Steve Couper
Assistant Director
Finance and Resources

ASSUMPTIONS

INFLATION	for	for	for	for	for
	Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018
<i>Pay award</i>	1.5%	1.5%	1.5%	2.0%	2.0%
<i>Prices</i>	2.5%	2.5%	2.5%	2.5%	2.5%
<i>electricity</i>	0.0%	-0.5%	2.4%	8.9%	31.1%
<i>gas</i>	0.0%	0.0%	2.6%	5.1%	0.0%
<i>fuel</i>	0.1%	0.5%	1.0%	1.5%	1.5%
<i>car park charges</i>				10%	
<i>planning fees</i>				10%	

The cost of performance pay is allowed for in the Risk Provision for the Pay Review and assumes an average of one increment every 2 years starting from April 2015 for those employees not at the top of their grade.

INTEREST RATES	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
	Temporary Borrowing	0.43%	0.43%	0.45%	0.85%
Temporary Investments	0.58%	0.58%	0.55%	0.95%	1.43%
PWLB 20 year borrowing	3.39%	3.64%	4.08%	4.25%	4.50%

SENSITIVITY

IMPACT OF CHANGES	Impact on saving requirement				
	14/15	15/16	16/17	17/18	18/19
	£M	£M	£M	£M	£M
Pay - 1% higher award each April starting 2014	199	386	581	794	1,018
Pensions – 1% higher employers' contribution from April 2018					142
Expenditure excluding pay - 1% higher inflation each year	175	352	531	712	894
Income – 1% higher assumption	-178	-359	-540	-724	-910
Interest Rates - 1% higher	96	115	131	145	160

**BUDGET 2014/15
AND
MEDIUM TERM PLAN 2015/16 to 2018/19**

TABLES

- 1 Overall Summary**
- 2 Overall Budget and MTP – Subjective analysis**
- 3 Head of Service Budgets – Subjective and Objective analysis**
- 4 All MTP variations from the 2013/14 base, highlighting those needing approval before commencement. i.e. previous years and current years approvals**
- 5 All MTP changes to the current approved MTP
(Those since the December update report have a black indicator in the first column.)**
- 6 Capital Programme showing external funding**

TABLE 1 – OVERALL SUMMARY

PROPOSED BUDGET/MTP	FORECAST	BUDGET	MTP			
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
2012/13 BUDGET/MTP	22,764	22,198	22,755	23,046	24,227	25,141
Proposed variations	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186
NEW FORECAST	21,126	20,870	20,389	20,294	20,863	21,955
FUNDING						
Use of revenue reserves	-568	-1,005	-1,117	-437	-555	-776
Remaining revenue reserves EOY	10,032	9,027	7,910	7,473	6,918	6,142
New Homes Grant	-2,905	-3,344	-4,013	-4,993	-5,628	-6,340
Council Tax Freeze Grant	-82	-82	-82	0	0	0
Formula Grant (RSG)	-6,019	-4,562	-3,074	-2,400	-1,800	-1,500
Retained Business Rates	-4,052	-4,218	-4,245	-4,351	-4,460	-4,572
Collection Fund Deficit	-76	-21				
Council Tax	-7,506	-7,639	-7,858	-8,112	-8,420	-8,767
COUNCIL TAX LEVEL	£133.18	£133.18	£135.84	£138.56	£141.33	£144.16
% increase	3.63%	0.00%	2.00%	2.00%	2.00%	2.00%
£ increase	£4.67	£0.00	£2.66	£2.72	£2.77	£2.83
Unidentified Spending Adjustments still required						
Proposed MTP	0	0	-700	-1,300	-1,800	-2,100
Current MTP		-1,500	-1,856	-2,687	-2,637	-3,374

TABLE 2 - OVERALL BUDGET AND MTP - SUBJECTIVE ANALYSIS

Huntingdonshire District Council								
Subjective Analysis: Controllable Income & Expenditure								
ALL SERVICES	2013/14		2014/15	Medium Term Plan				
	Budget £000	Forecast £000		Budget £000	Budget £000	Budget £000	Budget £000	Budget £000
Employees	Salaries	17,707	17,362	17,754	17,415	17,527	17,802	17,968
	National Insurance & Pensions	5,221	5,040	4,850	5,179	5,554	5,998	6,000
	Overtime	368	293	373	375	375	375	375
	Bonus	225	223	224	224	224	224	224
	Hired Staff	460	692	490	475	445	445	347
	Allowances	75	70	86	86	86	86	86
	Childcare Admin Vouchers	5	5	5	5	5	5	5
	Commission On Sales	17	14	1	1	1	1	1
	Employee Insurance	120	100	103	103	103	103	103
	Long Service Awards	1	1	1	1	1	1	1
	Recruitment	27	29	27	27	27	27	27
	Termination	230	203	206	206	205	205	205
	Training	329	274	281	281	281	281	281
		24,785	24,306	24,401	24,378	24,834	25,553	25,623
Benefit & Transfer Payments	Benefits	35,801	35,928	37,377	37,311	37,311	37,311	37,311
	Grants Paid	1,476	1,711	1,219	1,135	1,085	1,085	1,085
	Irrecoverable V A T	149	145	137	137	137	137	137
	Precepts	390	390	399	399	399	399	399
	Profit Share Payable	0	6	6	6	6	6	6
		37,816	38,180	39,138	38,988	38,938	38,938	38,938
Buildings	Building Security	111	109	112	112	112	112	112
	Building Structure	688	693	703	703	703	703	703
	Energy	874	779	753	738	724	754	754
	Fixtures & Fittings	63	84	71	71	71	71	71
	Land	201	246	209	209	209	209	209
	Leases & Rents	279	242	270	230	230	216	230
	Property Taxes	1,056	1,046	1,084	1,084	1,084	1,084	1,084
	Water & Sewerage	162	156	163	163	163	163	163
		3,434	3,355	3,365	3,310	3,296	3,312	3,326
Supplies & Services	Advertising	188	165	184	184	184	184	184
	Equipment & Furniture	1,385	1,462	1,435	1,422	1,427	1,422	1,422
	Insurance (Service Related)	89	77	93	93	93	93	93
	Interest Paid	704	438	888	900	920	1,086	1,428
	Materials	746	730	719	719	719	719	719
	Members Expenses	393	386	392	392	392	392	392
	Postage	240	260	272	274	242	229	244
	General Supplies and Services	346	329	225	225	225	225	225
	Professional Services	2,072	1,926	2,078	1,841	1,779	1,683	1,687
	Public Consultation, Surveys	94	76	53	53	53	53	53
	Subscriptions	38	32	38	38	38	38	38
	Treasury Related Services	163	186	175	175	175	175	175
	External Audit Fees	163	113	117	117	117	117	117
	Subsistence	6	7	6	6	6	6	6
	Telephones	278	249	259	255	255	255	267
		7,312	6,831	7,361	7,119	7,050	7,087	7,475
Transport	Car Allowances	330	258	307	307	307	307	307
	Vehicles & Plant	1,533	1,416	1,579	1,580	1,580	1,580	1,580
		1,863	1,674	1,886	1,887	1,887	1,887	1,887
Technical Adjustments	Renewals Fund Contribution	327	262	285	285	285	285	285
	Minimum Revenue Provision	1,255	1,118	1,623	1,992	2,158	2,509	2,784
	Pay Protection	320	0	0	0	0	0	0
	Contingencies	331	21	123	633	736	1,070	1,820
	Unallocated Savings	0	0	0	(467)	(867)	(1,183)	(1,384)
		2,233	1,401	2,031	2,443	2,312	2,681	3,505
Total Service Expenditure		77,443	75,747	78,182	78,125	78,317	79,458	80,754
Reserve-Revenue Transfers	Renewals Fund Contn Adjustment	0	(58)	0	0	0	0	0
		0	(58)	0	0	0	0	0
Income & Fees	Bad Debts Provision	262	75	81	81	81	81	81
	Charges & Fees	(10,834)	(10,424)	(11,367)	(12,021)	(12,433)	(12,866)	(12,991)
	Commuted Sums	(118)	(186)	(172)	(125)	(125)	(245)	(245)
	Costs Recovered	(2,634)	(2,681)	(2,771)	(2,717)	(2,689)	(2,684)	(2,684)
	Government Grants	(36,523)	(37,205)	(38,144)	(37,951)	(37,800)	(37,763)	(37,845)
	Interest Received	(446)	(272)	(594)	(642)	(696)	(749)	(752)
	Licence Fees	(359)	(376)	(343)	(343)	(343)	(343)	(343)
	Lottery Grant	(77)	(50)	0	0	0	0	0
	Private Grants	(18)	(16)	(17)	(17)	(17)	(17)	(17)
	Rent	(2,396)	(2,235)	(2,323)	(2,343)	(2,343)	(2,343)	(2,343)
	Sales	(1,033)	(970)	(1,053)	(1,053)	(1,053)	(1,053)	(1,053)
		(54,176)	(54,340)	(56,703)	(57,131)	(57,418)	(57,982)	(58,192)
Total Service Income		(54,176)	(54,398)	(56,703)	(57,131)	(57,418)	(57,982)	(58,192)
Total Net Service Budget		23,267	21,349	21,479	20,994	20,899	21,476	22,562
Less Technical Adjustments	Recharges Outside of Revenue	(503)	(651)	(609)	(605)	(605)	(610)	(607)
NEW FORECAST		22,764	20,698	20,870	20,389	20,294	20,866	21,955

TABLE 3 - HEAD OF SERVICE BUDGETS – SUBJECTIVE AND OBJECTIVE ANALYSIS

Huntingdonshire District Council								
Subjective & Objective Analysis: Service Controllable Income & Expenditure								
Managing Director & Corporate Office		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	762	578	623	623	623	623	623
	National Insurance & Pensions	183	154	164	164	164	180	180
	Allowances	2	2	1	1	1	1	1
	Childcare Admin Vouchers	5	5	5	5	5	5	5
	Employee Insurance	27	0	0	0	0	0	0
	Long Service Awards	1	1	1	1	1	1	1
	Recruitment	20	20	21	21	21	21	21
	Pension Added Years	229	199	204	204	204	204	204
	Training	40	37	31	31	31	31	31
		1,269	996	1,050	1,050	1,050	1,066	1,066
Benefit & Transfer Payments	Grants Paid	3	3	3	3	3	3	3
	Irrecoverable V A T	31	31	28	28	28	28	28
	Profit Share Payable	0	6	6	6	6	6	6
		34	40	37	37	37	37	37
Buildings	Building Security	44	45	46	46	46	46	46
	Building Structure	60	70	62	62	62	62	62
	Energy	4	6	5	5	5	5	5
	Land	1	29	2	2	2	2	2
	Leases & Rents	171	140	151	151	151	151	151
	Property Taxes	25	35	30	30	30	30	30
	Water & Sewerage	0	1	0	0	0	0	0
	Total	305	326	296	296	296	296	296
Supplies & Services	Advertising	5	14	6	6	6	6	6
	Equipment & Furniture	68	46	64	53	53	53	53
	Materials	0	2	0	0	0	0	0
	Members Expenses	13	13	13	13	13	13	13
	Postage	15	15	3	3	3	3	3
	Printing & Stationery	12	11	9	7	7	7	7
	General Supplies and Services	1	2	1	1	1	1	1
	Professional Services	746	752	650	637	618	626	629
	Public Consultation, Surveys	38	24	0	0	0	0	0
	Subscriptions	13	13	13	13	13	13	13
	Subsistence	1	1	1	1	1	1	1
	Telephones	4	3	2	2	2	2	2
		916	896	762	736	717	725	728
Transport	Car Allowances	25	17	16	16	16	16	16
	Vehicles & Plant	8	8	8	8	8	8	8
		33	25	24	24	24	24	24
Technical Adjustments	Renewals Fund Contribution	93	93	96	96	96	96	96
		93	93	96	96	96	96	96
Total Service Expenditure		2,650	2,376	2,265	2,239	2,220	2,244	2,247
Reserve-Revenue Transfers	Renewals Fund Contn Adjustment	0	(23)	0	0	0	0	0
		0	(23)	0	0	0	0	0
Income & Fees	Charges & Fees	(57)	(60)	(62)	(62)	(62)	(62)	(62)
	Costs Recovered	(51)	(63)	(115)	(120)	(82)	(82)	(82)
	Rent	(1,939)	(1,838)	(1,901)	(1,921)	(1,921)	(1,921)	(1,921)
		(2,047)	(1,961)	(2,078)	(2,103)	(2,065)	(2,065)	(2,065)
Total Service Income		(2,047)	(1,984)	(2,078)	(2,103)	(2,065)	(2,065)	(2,065)
Net Service Budget		603	392	187	136	155	179	182
Objective Analysis:								
Direct Services	Community Initiatives	38	0	0	0	0	0	0
	Corporate Management	69	85	52	39	39	39	39
	Democratic Services	30	33	30	30	30	30	30
	Economic Development	113	123	95	95	95	95	95
	Economic Development Estates	(1,595)	(1,471)	(1,594)	(1,619)	(1,624)	(1,624)	(1,624)
	Non Distributed Costs	229	199	204	204	204	204	204
Internal Services (rechargeable)	Corp Office & Directors Mgmt Unit	365	206	186	186	186	190	190
	Corporate Office Mgmt Unit	676	622	624	624	667	679	679
	Payroll & HR	678	595	590	577	558	566	569
Net Service Budget		603	392	187	136	155	179	182

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Legal & Democratic Services		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	1,063	1,006	1,078	1,057	1,047	1,014	1,071
	National Insurance & Pensions	253	243	257	257	257	280	280
	Overtime	11	5	11	11	11	11	11
	Bonus	0	5	0	0	0	0	0
	Hired Staff	14	14	14	14	14	14	14
	Allowances	8	8	8	8	8	8	8
	Training	23	21	19	19	19	19	19
		1,372	1,302	1,387	1,366	1,356	1,346	1,403
Buildings	Leases & Rents	0	0	14	14	14	0	14
		0	0	14	14	14	0	14
Supplies & Services	Advertising	1	0	0	0	0	0	0
	Equipment & Furniture	157	168	175	173	178	173	173
	Insurance (Service Related)	4	6	6	6	6	6	6
	Materials	47	46	42	42	42	42	42
	Members Allowances & Expenses	380	373	379	379	379	379	379
	Postage	73	92	132	134	102	89	104
	Printing & Stationery	142	143	165	165	165	150	165
	General Supplies and Services	4	4	1	1	1	1	1
	Professional Services	60	78	30	3	0	0	2
	Public Consultation, Surveys	21	21	21	21	19	19	21
	Telephones	22	21	21	21	21	21	21
		911	952	972	945	913	880	914
Transport	Car Allowances	28	22	26	26	26	26	26
	Vehicles & Plant	35	34	35	35	35	35	35
		63	56	61	61	61	61	61
Total Service Expenditure		2,346	2,310	2,434	2,386	2,344	2,287	2,392
Income & Fees	Charges & Fees	(252)	(356)	(297)	(308)	(308)	(366)	(366)
	Costs Recovered	(78)	(40)	(54)	(54)	(54)	(54)	(54)
	Government Grants	0	0	(22)	(13)	(17)	10	68
	Licence Fees	(359)	(354)	(343)	(343)	(343)	(343)	(343)
	Sales	0	(2)	(1)	(1)	(1)	(1)	(1)
		(689)	(752)	(717)	(719)	(723)	(754)	(696)
Total Service Income		(689)	(752)	(717)	(719)	(723)	(754)	(696)
Net Service Budget		1,657	1,558	1,717	1,667	1,621	1,533	1,696
Objective Analysis:								
Direct Services	Central Services	(67)	(138)	17	15	(26)	(137)	22
	Corporate Services Democratic	476	461	463	459	459	459	463
	Environmental Serv - Licensing	(304)	(302)	(286)	(286)	(286)	(286)	(286)
	Printing External Work	0	(14)	(14)	(14)	(14)	(14)	(14)
Internal Services (rechargeable)	Document Centre	486	523	493	470	465	470	470
	Legal & Democratic Management	1,066	1,028	1,044	1,023	1,023	1,041	1,041
Net Service Budget		1,657	1,558	1,717	1,667	1,621	1,533	1,696

Huntingdonshire District Council								
Subjective & Objective Analysis: Service Controllable Income & Expenditure								
Head of Environmental & Community Services		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	1,347	1,249	1,287	1,252	1,219	1,219	1,219
	National Insurance & Pensions	337	305	324	324	324	354	355
	Overtime	11	15	11	11	11	11	11
	Hired Staff	0	8	0	0	0	0	0
	Allowances	10	3	10	10	10	10	10
	Recruitment	0	2	0	0	0	0	0
	Termination	0	2	0	0	0	0	0
	Training	24	36	23	23	23	23	23
		1,729	1,620	1,655	1,620	1,587	1,617	1,618
Benefit & Transfer Payments	Grants Paid	370	439	379	379	329	329	329
		370	439	379	379	329	329	329
Buildings	Building Structure	6	6	7	7	7	7	7
	Leases & Rents	17	20	11	11	11	11	11
		23	26	18	18	18	18	18
Supplies & Services	Advertising	23	14	19	19	19	19	19
	Equipment & Furniture	62	62	62	62	62	62	62
	Materials	7	7	7	7	7	7	7
	Postage	8	5	7	7	7	7	7
	Printing & Stationery	31	20	25	25	25	25	25
	Professional Services	87	90	139	136	106	75	74
	Public Consultation, Surveys	14	13	14	14	14	14	14
	Subscriptions	13	8	13	13	13	13	13
	Subsistence	3	3	3	3	3	3	3
	Telephones	10	8	6	6	6	6	6
		258	230	295	292	262	231	230
Transport	Car Allowances	64	47	64	64	64	64	64
	Vehicles & Plant	14	15	13	13	13	13	13
		78	62	77	77	77	77	77
Technical Adjustments	Renewals Fund Contribution	6	6	7	7	7	7	7
		6	6	7	7	7	7	7
Total Service Expenditure		2,464	2,383	2,431	2,393	2,280	2,279	2,279
Income & Fees	Charges & Fees	(151)	(148)	(214)	(218)	(188)	(156)	(156)
	Costs Recovered	(63)	(88)	(104)	(109)	(114)	(119)	(119)
	Licence Fees	0	(21)	0	0	0	0	0
	Lottery Grant	(77)	(50)	0	0	0	0	0
		(291)	(307)	(318)	(327)	(302)	(275)	(275)
Total Service Income		(291)	(307)	(318)	(327)	(302)	(275)	(275)
Net Service Budget		2,173	2,076	2,113	2,066	1,978	2,004	2,004
Objective Analysis:								
Direct Services	Community Initiatives	13	8	13	13	13	13	13
	Community Facilities	18	20	18	18	18	18	18
	Community Safety	324	380	327	322	267	262	262
	Leisure Policy	198	198	179	179	179	183	183
	Planning Policy	9	4	9	2	2	2	2
	Commercial Health	31	17	22	22	22	22	22
	Environmental Health	105	101	68	68	68	70	70
	Public Health	20	11	17	17	17	17	17
Internal Services (rechargeable)	ECHS Internal Services	34	24	26	26	26	26	26
	ECHS Management Units	1,409	1,307	1,422	1,387	1,354	1,379	1,379
	Service Administration	12	6	12	12	12	12	12
Net Service Budget		2,173	2,076	2,113	2,066	1,978	2,004	2,004

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Operations		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	3,631	3,574	3,519	3,519	3,519	3,639	3,639
	National Insurance & Pensions	869	860	918	918	918	1,001	1,003
	Overtime	243	177	247	247	247	247	247
	Bonus	224	219	224	224	224	224	224
	Hired Staff	386	399	393	393	393	393	393
	Allowances	24	22	24	24	24	24	24
	Recruitment	2	0	2	2	2	2	2
	Termination	0	2	0	0	0	0	0
	Training	57	59	56	56	56	56	56
		5,436	5,312	5,383	5,383	5,383	5,586	5,588
Benefit & Transfer Payments	Grants Paid	43	73	44	44	44	44	44
	Irrecoverable V A T	8	9	3	3	3	3	3
		51	82	47	47	47	47	47
Buildings	Building Security	3	2	2	2	2	2	2
	Building Structure	48	21	22	22	22	22	22
	Energy	54	41	45	45	45	45	45
	Land	29	49	57	57	57	57	57
	Leases & Rents	14	15	14	14	14	14	14
	Property Taxes	226	219	228	228	228	228	228
	Water & Sewerage	14	13	15	15	15	15	15
		388	360	383	383	383	383	383
Supplies & Services	Advertising	23	15	22	22	22	22	22
	Equipment & Furniture	225	229	232	232	232	232	232
	Materials	204	237	211	211	211	211	211
	Postage	2	8	6	6	6	6	6
	Printing & Stationery	18	26	18	18	18	18	18
	General Supplies and Services	199	170	73	73	73	73	73
	Professional Services	133	84	169	146	144	144	144
	Public Consultation, Surveys	4	1	4	4	4	4	4
	Subscriptions	5	5	5	5	5	5	5
	Treasury Related Services	64	64	65	65	65	65	65
	Telephones	34	30	30	30	30	30	30
		911	869	835	812	810	810	810
Transport	Car Allowances	40	33	39	39	39	39	39
	Vehicles & Plant	1,345	1,209	1,366	1,366	1,366	1,366	1,366
		1,385	1,242	1,405	1,405	1,405	1,405	1,405
Technical Adjustments	Renewals Fund Contribution	121	121	99	99	99	99	99
		121	121	99	99	99	99	99
Total Service Expenditure		8,292	7,986	8,152	8,129	8,127	8,330	8,332
Income & Fees	Charges & Fees	(2,599)	(2,386)	(2,595)	(2,790)	(2,977)	(3,164)	(3,164)
	Commuted Sums	(117)	(185)	(171)	(124)	(124)	(244)	(244)
	Costs Recovered	(982)	(881)	(894)	(894)	(894)	(894)	(894)
	Government Grants	(12)	(23)	(12)	(12)	(12)	(12)	(12)
	Private Grants	(18)	(16)	(17)	(17)	(17)	(17)	(17)
	Rent	(56)	(44)	(49)	(49)	(49)	(49)	(49)
	Sales	(136)	(116)	(139)	(139)	(139)	(139)	(139)
		(3,920)	(3,651)	(3,877)	(4,025)	(4,212)	(4,519)	(4,519)
Total Service Income		(3,920)	(3,687)	(3,877)	(4,025)	(4,212)	(4,519)	(4,519)
Net Service Budget		4,372	4,299	4,275	4,104	3,915	3,811	3,813
Objective Analysis:								
Direct Services	Abandoned Vehicles	2	2	2	2	2	2	2
	CCTV	227	278	141	118	116	118	118
	Countryside	357	351	357	357	357	244	244
	Car Parks	(1,288)	(1,069)	(1,131)	(1,240)	(1,427)	(1,611)	(1,611)
	Emergency Planning	33	9	11	11	11	11	11
	Grounds Maint Other Organisation	(93)	(93)	(95)	(95)	(95)	(95)	(95)
	Markets	(116)	(111)	(120)	(120)	(120)	(120)	(120)
	Parks	74	(7)	0	47	47	47	47
	Recycling	(35)	(112)	(47)	(133)	(133)	(125)	(125)
	Trade Waste	(31)	(31)	(31)	(31)	(31)	(31)	(31)
	Refuse Collection	2,131	2,168	2,176	2,176	2,176	2,319	2,319
	Street Cleaning & Litter	1,034	897	986	986	986	997	997
Internal Services (rechargeable)	Fleet Management	269	269	278	278	278	281	281
	Grounds Maintenance	772	770	787	787	787	797	798
	Operations Mgmt Budgets	1,036	978	961	961	961	977	978
Net Service Budget		4,372	4,299	4,275	4,104	3,915	3,811	3,813

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Assistant Director (Environment, Growth & Planning)		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	1,780	1,763	1,749	1,724	1,724	1,724	1,724
	National Insurance & Pensions	434	427	421	421	421	459	460
	Overtime	7	6	9	9	9	9	9
	Hired Staff	0	1	0	0	0	0	0
	Allowances	3	10	9	9	9	9	9
	Recruitment	0	4	0	0	0	0	0
	Training	18	12	14	14	14	14	14
		2,242	2,223	2,202	2,177	2,177	2,215	2,216
Benefit & Transfer Payments	Grants Paid	202	224	189	189	189	189	189
	Irrecoverable V A T	8	6	5	5	5	5	5
		210	230	194	194	194	194	194
Buildings	Building Structure	10	10	10	10	10	10	10
	Energy	19	19	19	19	19	19	19
	Land	1	1	1	1	1	1	1
	Property Taxes	2	0	0	0	0	0	0
	Water & Sewerage	15	15	16	16	16	16	16
		47	45	46	46	46	46	46
Supplies & Services	Advertising	7	7	7	7	7	7	7
	Equipment & Furniture	31	30	31	31	31	31	31
	Materials	10	10	10	10	10	10	10
	Postage	13	12	10	10	10	10	10
	Printing & Stationery	44	41	37	37	37	37	37
	General Supplies and Services	0	1	1	1	1	1	1
	Professional Services	649	535	575	317	268	193	193
	Subscriptions	2	0	0	0	0	0	0
	Subsistence	1	1	1	1	1	1	1
	Telephones	4	4	2	2	2	2	2
		761	641	674	416	367	292	292
Transport	Car Allowances	47	42	48	48	48	48	48
	Vehicles & Plant	6	6	6	6	6	6	6
		53	48	54	54	54	54	54
Technical Adjustments	Renewals Fund Contribution	11	(19)	12	12	12	12	12
		11	(19)	12	12	12	12	12
Total Service Expenditure		3,324	3,168	3,182	2,899	2,850	2,813	2,814
Income & Fees	Charges & Fees	(1,170)	(1,120)	(1,171)	(1,171)	(1,171)	(1,171)	(1,171)
	Costs Recovered	(187)	(258)	(204)	(240)	(260)	(260)	(260)
	Interest Received	(1)	0	0	0	0	0	0
	Rent	(88)	(89)	(99)	(99)	(99)	(99)	(99)
	Sales	(15)	(30)	(15)	(15)	(15)	(15)	(15)
		(1,461)	(1,497)	(1,489)	(1,525)	(1,545)	(1,545)	(1,545)
Total Service Income		(1,461)	(1,497)	(1,489)	(1,525)	(1,545)	(1,545)	(1,545)
Net Service Budget		1,863	1,671	1,693	1,374	1,305	1,268	1,269
Objective Analysis:								
Direct Services	Development Management	(1,109)	(1,107)	(1,163)	(1,274)	(1,294)	(1,294)	(1,294)
	Contributions To H R A	0	1	0	0	0	0	0
	Housing Services	(29)	(77)	(43)	(43)	(43)	(43)	(43)
	Car Parks Strategy	2	0	0	0	0	0	0
	Economic Development	93	15	91	5	5	5	5
	Planning Policy & Conservation	406	386	366	269	220	145	145
	Public Transport	11	11	11	11	11	11	11
	Private Housing Support	72	85	73	73	73	73	73
	Transportation Strategy	100	75	103	103	103	103	103
Internal Services	Head of Planning Int Services	3	3	3	3	3	3	3
	Head of Planning Mgmt Unit	2,314	2,279	2,252	2,227	2,227	2,265	2,266
Net Service Budget		1,863	1,671	1,693	1,374	1,305	1,268	1,269

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Service Manager Environmental Management		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	1,074	1,020	1,050	1,050	1,050	1,050	1,020
	National Insurance & Pensions	270	264	274	274	274	299	294
	Overtime	34	17	29	29	29	29	29
	Hired Staff	1	1	1	1	1	1	1
	Allowances	5	5	6	6	6	6	6
	Training	19	12	17	17	17	17	17
		1,403	1,319	1,377	1,377	1,377	1,402	1,367
Benefit & Transfer Payments	Irrecoverable V A T	8	11	8	8	8	8	8
	Precepts	390	390	399	399	399	399	399
		398	401	407	407	407	407	407
Buildings	Building Structure	289	304	317	317	317	317	317
	Energy	254	187	157	142	128	158	158
	Fixtures & Fittings	5	5	6	6	6	6	6
	Land	154	144	138	138	138	138	138
	Property Taxes	352	341	366	366	366	366	366
	Water & Sewerage	22	22	23	23	23	23	23
		1,076	1,003	1,007	992	978	1,008	1,008
Supplies & Services	Advertising	19	14	20	20	20	20	20
	Equipment & Furniture	71	41	39	39	39	39	39
	Materials	6	6	6	6	6	6	6
	Postage	10	4	9	9	9	9	9
	Printing & Stationery	21	12	18	18	18	18	18
	General Supplies and Services	47	47	48	48	48	48	48
	Professional Services	40	41	41	41	41	41	41
	Public Consultation, Surveys	4	4	4	4	4	4	4
	Subsistence	1	1	1	1	1	1	1
	Telephones	10	7	6	6	6	6	6
		229	177	192	192	192	192	192
Transport	Car Allowances	43	26	29	29	29	29	29
	Vehicles & Plant	28	28	29	29	29	29	29
		71	54	58	58	58	58	58
Technical Adjustments	Renewals Fund Contribution	69	35	46	46	46	46	46
		69	35	46	46	46	46	46
Total Service Expenditure		3,246	2,989	3,087	3,072	3,058	3,113	3,078
Income & Fees	Charges & Fees	(539)	(459)	(499)	(499)	(499)	(499)	(499)
	Commuted Sums	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	Costs Recovered	(29)	(49)	(91)	(75)	(60)	(50)	(50)
	Rent	(98)	(88)	(84)	(84)	(84)	(84)	(84)
		(667)	(597)	(675)	(659)	(644)	(634)	(634)
Total Service Income		(667)	(597)	(675)	(659)	(644)	(634)	(634)
Net Service Budget		2,579	2,392	2,412	2,413	2,414	2,479	2,444

Objective Analysis:								
Direct Services	Building Control	(498)	(430)	(445)	(445)	(445)	(445)	(445)
	Car Parks	47	57	48	48	48	48	48
	Drainage & Sewers	457	457	469	469	469	469	469
	Environmental Projects	56	37	(36)	(35)	(34)	6	6
	Environmental Improvements	44	25	35	35	35	35	35
	Closed Churchyards	5	5	6	6	6	6	6
	Public Conveniences	21	16	21	21	21	21	21
	Public Transport	108	101	100	100	100	100	100
	Street Naming	42	22	11	11	11	11	11
Internal Services (rechargeable)	Building Control Mgmt Budgets	434	418	441	441	441	448	448
	Eastfield House & depots	211	181	214	214	214	214	214
	Environmental Mgmt-Mgmt Unit	913	816	857	857	857	873	838
	Pathfinder House	699	647	650	650	650	652	652
	Staff Restaurant	40	40	41	41	41	41	41
Net Service Budget		2,579	2,392	2,412	2,413	2,414	2,479	2,444

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Head of Customer Services		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget	Budget	Budget	Budget
Subjective Analysis:								
Employees	Salaries	2,681	2,665	2,668	2,633	2,628	2,674	2,673
	National Insurance & Pensions	603	593	605	605	605	662	664
	Overtime	33	31	33	33	33	33	33
	Hired Staff	31	92	1	1	1	1	1
	Allowances	7	4	6	6	6	6	6
	Recruitment	0	1	0	0	0	0	0
	Training	44	16	41	41	41	41	41
		3,399	3,402	3,354	3,319	3,314	3,417	3,418
Benefit & Transfer Payments	Benefits	35,801	35,928	37,377	37,311	37,311	37,311	37,311
	Grants Paid	501	613	595	511	511	511	511
		36,302	36,541	37,972	37,822	37,822	37,822	37,822
Buildings	Building Structure	19	8	19	19	19	19	19
	Energy	2	2	2	2	2	2	2
	Leases & Rents	77	67	79	39	39	39	39
	Property Taxes	6	4	5	5	5	5	5
		104	81	105	65	65	65	65
Supplies & Services	Advertising	19	9	19	19	19	19	19
	Equipment & Furniture	114	178	131	131	131	131	131
	Insurance (Service Related)	2	1	2	2	2	2	2
	Materials	7	4	7	7	7	7	7
	Postage	98	113	96	96	96	96	96
	Printing & Stationery	85	68	70	70	70	70	70
	General Supplies and Services	16	16	18	18	18	18	18
	Professional Services	218	151	199	194	194	194	194
	Public Consultation, Surveys	9	12	9	9	9	9	9
	Subscriptions	2	0	1	1	1	1	1
	Treasury Related Services	6	3	6	6	6	6	6
Telephones	28	20	23	23	23	23	35	
		604	575	581	576	576	576	588
Transport	Car Allowances	45	33	47	47	47	47	47
	Vehicles & Plant	6	1	0	0	0	0	0
		51	34	47	47	47	47	47
Total Service Expenditure		40,460	40,633	42,059	41,829	41,824	41,927	41,940
Income & Fees	Bad Debts Provision	262	75	81	81	81	81	81
	Charges & Fees	(51)	(35)	(48)	(48)	(48)	(48)	(48)
	Costs Recovered	(1,243)	(1,200)	(1,307)	(1,223)	(1,223)	(1,223)	(1,223)
	Government Grants	(36,510)	(37,078)	(38,065)	(38,041)	(38,041)	(38,041)	(38,041)
		(37,542)	(38,238)	(39,339)	(39,231)	(39,231)	(39,231)	(39,231)
Total Service Income		(37,542)	(38,238)	(39,339)	(39,231)	(39,231)	(39,231)	(39,231)
Net Service Budget		2,918	2,395	2,720	2,598	2,593	2,696	2,709
Objective Analysis:								
Direct Services	Council Tax Support	(245)	(376)	(190)	(180)	(180)	(180)	(180)
	Economic Development	31	0	0	0	0	0	0
	Housing Benefits	(604)	(764)	(677)	(729)	(729)	(729)	(729)
	Homelessness	351	227	273	293	293	293	293
	Housing Services	17	18	18	18	18	18	18
Internal Services (rechargeable)	Local Tax Collection	(576)	(568)	(586)	(586)	(586)	(586)	(586)
	Internal Services: Customer Service	1,130	989	1,125	1,050	1,045	1,053	1,065
	Revenues Management Units	2,814	2,870	2,757	2,732	2,732	2,827	2,828
Net Service Budget		2,918	2,396	2,720	2,598	2,593	2,696	2,709

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Service Manager Information Management		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:								
Employees	Salaries	1,149	974	1,015	860	860	850	850
	National Insurance & Pensions	299	265	286	270	270	300	301
	Overtime	6	7	6	8	8	8	8
	Hired Staff	(21)	142	29	14	(16)	(16)	(114)
	Allowances	1	1	1	1	1	1	1
	Training	23	23	24	24	24	24	24
		1,457	1,412	1,361	1,177	1,147	1,167	1,070
Supplies & Services	Advertising	2	2	2	2	2	2	2
	Equipment & Furniture	278	278	285	285	285	285	285
	Postage	1	1	1	1	1	1	1
	Printing & Stationery	3	3	3	3	3	3	3
	Professional Services	10	10	10	43	43	43	43
	Telephones	155	147	158	154	154	154	154
		449	441	459	488	488	488	488
Transport	Car Allowances	16	16	17	17	17	17	17
		16	16	17	17	17	17	17
Total Service Expenditure		1,922	1,869	1,837	1,682	1,652	1,672	1,575
Income & Fees	Charges & Fees	(34)	(34)	(35)	(35)	(35)	(55)	(55)
	Sales	(1)	(1)	(1)	(1)	(1)	(1)	(1)
		(35)	(35)	(36)	(36)	(36)	(56)	(56)
Total Service Income		(35)	(35)	(36)	(36)	(36)	(56)	(56)
Net Service Budget		1,887	1,834	1,801	1,646	1,616	1,616	1,519
Objective Analysis:								
Direct Services	External Services: IMD	(31)	(31)	(31)	(31)	(31)	(51)	(51)
Internal Services (rechargeable)	Internal Services: IMD	1,918	1,865	1,832	1,677	1,647	1,667	1,570
Net Service Budget		1,887	1,834	1,801	1,646	1,616	1,616	1,519

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

General Manager One Leisure		2013/14		2014/15	Medium Term Plan			
		Budget	Forecast	Budget	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	Budget £000	Budget £000	Budget £000	Budget £000
Subjective Analysis:								
Employees	Salaries	3,898	3,738	3,738	3,738	3,738	3,738	3,738
	National Insurance & Pensions	592	575	588	588	588	645	646
	Overtime	22	35	26	26	26	26	26
	Bonus	1	0	0	0	0	0	0
	Hired Staff	15	15	15	15	15	15	15
	Allowances	15	9	15	15	15	15	15
	Childcare Admin Vouchers	1	0	0	0	0	0	0
	Commission On Sales	17	14	1	1	1	1	1
	Employee Insurance	0	1	1	1	1	1	1
	Recruitment	4	3	3	3	3	3	3
	Training	56	44	51	51	51	51	51
		4,621	4,434	4,438	4,438	4,438	4,495	4,496
Benefit & Transfer Payments	Grants Paid	0	2	0	0	0	0	0
	Irrecoverable V A T	94	87	90	90	90	90	90
		94	89	90	90	90	90	90
Buildings	Building Security	11	11	11	11	11	11	11
	Building Structure	257	274	266	266	266	266	266
	Energy	541	525	526	526	526	526	526
	Fixtures & Fittings	57	79	66	66	66	66	66
	Land	16	22	11	11	11	11	11
	Leases & Rents	1	0	0	0	0	0	0
	Property Taxes	446	446	454	454	454	454	454
	Water & Sewerage	109	105	109	109	109	109	109
		1,438	1,462	1,443	1,443	1,443	1,443	1,443
Supplies & Services	Advertising	89	89	88	88	88	88	88
	Equipment & Furniture	313	364	345	345	345	345	345
	Materials	461	418	435	435	435	435	435
	Postage	10	7	6	6	6	6	6
	Printing & Stationery	59	54	56	56	56	56	56
	General Supplies and Services	79	89	83	83	83	83	83
	Professional Services	75	97	208	267	310	310	310
	Public Consultation, Surveys	4	1	1	1	1	1	1
	Subscriptions	0	0	0	0	0	0	0
	Treasury Related Services	37	46	47	47	47	47	47
	Subsistence	0	1	0	0	0	0	0
	Telephones	12	9	10	10	10	10	10
		1,139	1,175	1,279	1,338	1,381	1,381	1,381
Transport	Car Allowances	14	18	15	15	15	15	15
	Vehicles & Plant	13	13	13	14	14	14	14
		27	31	28	29	29	29	29
Technical Adjustments	Renewals Fund Contribution	26	25	26	26	26	26	26
		26	25	26	26	26	26	26
Total Service Expenditure		7,345	7,216	7,304	7,364	7,407	7,464	7,465
Income & Fees	Charges & Fees	(5,978)	(5,826)	(6,424)	(6,630)	(6,685)	(6,703)	(6,727)
	Costs Recovered	(2)	(13)	(2)	(2)	(2)	(2)	(2)
	Government Grants	0	(1)	0	0	0	0	0
	Rent	(216)	(177)	(191)	(191)	(191)	(191)	(191)
	Sales	(880)	(818)	(896)	(896)	(896)	(896)	(896)
		(7,076)	(6,835)	(7,513)	(7,719)	(7,774)	(7,792)	(7,816)
Total Service Income		(7,076)	(6,835)	(7,513)	(7,719)	(7,774)	(7,792)	(7,816)
Net Service Budget		269	381	(209)	(355)	(367)	(328)	(351)
Objective Analysis:								
Direct Services	One Leisure Sites (Recreation & Sport)	50	186	(430)	(576)	(588)	(554)	(577)
Internal Services (rechargeable)	One Leisure Management Units	219	195	221	221	221	226	226
Net Service Budget		269	381	(209)	(355)	(367)	(328)	(351)

Huntingdonshire District Council
Subjective & Objective Analysis: Service Controllable Income & Expenditure

Assistant Director (Finance & Resources) & Non Allocated Items		2013/14		2014/15		Medium Term Plan			
		Budget	Forecast	Budget	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000	£000
Subjective Analysis:									
Employees	Salaries	323	793	1,031	963	1,123	1,275	1,414	
	National Insurance & Pensions	1,380	1,357	1,012	1,358	1,733	1,818	1,818	
	Overtime	1	0	1	1	1	1	1	
	Hired Staff	35	20	36	36	36	36	36	
	Allowances	0	5	5	5	5	5	5	
	Employee Insurance	93	99	102	102	102	102	102	
	Termination	1	0	1	1	0	0	0	
	Training	25	14	6	6	6	6	6	
		1,858	2,288	2,194	2,472	3,006	3,243	3,382	
Benefit & Transfer Payments	Grants Paid	357	357	9	9	9	9	9	
	Irrecoverable V A T	1	1	1	1	1	1	1	
		358	358	10	10	10	10	10	
Buildings	Building Security	52	52	53	53	53	53	53	
		52	52	53	53	53	53	53	
Supplies & Services	Equipment & Furniture	66	65	70	70	70	70	70	
	Insurance (Service Related)	83	70	85	85	85	85	85	
	Interest Paid	704	438	888	900	920	1,086	1,428	
	Materials	4	0	0	0	0	0	0	
	Postage	9	4	3	3	3	3	3	
	Printing & Stationery	(7)	17	26	26	26	26	26	
	Professional Services	54	86	58	58	58	58	58	
	Subscriptions	3	6	6	6	6	6	6	
	Treasury Related Services	56	73	57	57	57	57	57	
	External Audit Fees	163	114	118	117	117	117	117	
		1,135	873	1,311	1,322	1,342	1,508	1,850	
Transport	Car Allowances	4	3	6	6	6	6	6	
	Vehicles & Plant	80	103	111	111	111	111	111	
		84	106	117	117	117	117	117	
Technical Adjustments	Minimum Revenue Provision	1,255	1,118	1,623	1,992	2,158	2,509	2,784	
	Pay Protection	320	0	0	0	0	0	0	
	Contingencies	331	21	123	633	736	1,070	1,820	
	Unallocated Savings	0	0	0	(467)	(867)	(1,183)	(1,384)	
		1,906	1,139	1,746	2,158	2,027	2,396	3,220	
Total Service Expenditure		5,393	4,816	5,431	6,132	6,555	7,327	8,632	
Income & Fees	Charges & Fees	(2)	(2)	(22)	(260)	(460)	(643)	(743)	
	Costs Recovered	0	(90)	0	0	0	0	0	
	Government Grants	0	(102)	(45)	115	270	280	140	
	Interest Received	(445)	(271)	(594)	(642)	(696)	(749)	(752)	
	Sales	0	(2)	0	0	0	0	0	
		(447)	(467)	(661)	(787)	(886)	(1,112)	(1,355)	
Total Service Income		(447)	(467)	(661)	(787)	(886)	(1,112)	(1,355)	
Net Service Budget		4,946	4,349	4,770	5,345	5,669	6,215	7,277	
Objective Analysis:									
Direct Services	Risk Contingency	205	0	301	913	1,286	1,783	2,531	
	Corporate Management	219	181	174	174	174	174	174	
	Pensions Termination Benefits	1	0	1	1	0	0	0	
	General Bad Debt Provision	21	21	11	1	1	1	1	
	Minimum Revenue Provision	1,255	1,118	1,624	1,992	2,158	2,509	2,785	
	Pension Contribution Lump Sum	1,139	1,139	789	1,135	1,510	1,574	1,574	
	Grants To Towns & Parishes	357	357	9	9	9	9	9	
	Investment Interest	268	174	303	267	233	346	685	
	Other Exp: Grants	(49)	(102)	(45)	(278)	(433)	(616)	(716)	
	Other Exp: Savings Budgets	0	0	0	(467)	(867)	(1,183)	(1,384)	
Internal Services (rechargeable)	Internal Services: Financial Systems	64	51	54	54	54	54	54	
	Audit Budget	572	510	625	625	625	628	628	
	Head of Finance Mgmt Unit	124	140	102	97	97	100	100	
	Accountancy Budgets	718	704	765	765	765	778	778	
	Procurement	52	56	57	57	57	58	58	
Net Service Budget		4,946	4,349	4,770	5,345	5,669	6,215	7,277	

TABLE 4 - ALL MTP VARIATIONS FROM THE 2013/14 BASE

KEY
The highlighted items require further approval before commencement

Managing Director and then Cabinet
Head of Service following consultation with the Managing Director or relevant Corporate Director and the Executive Councillors for the Service and Resources
Managing Director

ALL MTP VARIATIONS FROM THE 2013/14 BASE		REVENUE										NET CAPITAL									
		BASE		F'CAST		BUDGET		MTP		2018		BASE		F'CAST		BUDGET					
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2013	2014	2013	2014	2014	2015	2016	2017	2018	
Bid No.	Scheme	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	BASE	22,187	22,187	22,187	22,187	22,187	22,187	22,187	22,187	22,188	22,188	0	0	0	0	0	0	0	0	0	
Managing Director and Corporate Office																					
HR & Payroll																					
1001	Cover for Staff Side Representatives	50	10																		
1008	HR & Payroll Outsourcing	17	17	5	-8	-21	-3														
1007	Pay Review	15	15																		
1047	Review of HR Contracts																				
1050	Pensions Increase Saving																				
Economic Development (Estates)																					
239	New Industrial Units	11	-1	-6	-6	-6	-6														
1048	Re-alignment of Commercial Estates Budget		116	111	106	101	101														
1049	Invest to Save Proposal - Highlode (Ramsey)		-15	-23	-23	-23	-23														263
Economic Development (Other)																					
1046	Management/Equalities/Community Strategy Saving			-18	-18	-23	-23														
1058	Funded Support for Local Enterprise Partnership		-20	-43	-43																
FF0008	Economic Development project savings			-20	-20	-20	-20														
Estates																					
	Increased income from proactive management of commercial estate			-20	-20	-20	-20														
Corporate Management																					
FF0009	COMT support costs & training saving			-29	-29	-29	-29														
FF0010	Communications remove town centre kiosks			-13	-13	-13	-13														
Corporate Office MU																					
FF0011	Office costs saving			-28	-28	-23	-23														

Bid No.	Scheme	REVENUE										NET CAPITAL								
		BASE		F'CAST		BUDGET		MTP		BASE		F'CAST		BUDGET		MTP				
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2013	2014	2013	2014	2015	2016	2017	2018	2019
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
FF0005	DECC Communities Funding			-16																
FF0006	Referral Fees Action on Energy Scheme			-10		-10														
FF0007	Mobilising Local Energy Investment Funding			-15		-15														
FF0024	Energy Saving Equipment			-10		-10		-30												
	Public Transport																			
1036	Reduced Bus Shelter and Env Imps R&R Budget			-20		-20		-20		-20										
1038	Street Naming and Numbering Savings			-20		-20		-32		-32										
	Car Parks																			
461	Car Park Repairs																			151
	Environmental Improvements																			
703	Heart of Oxmoor																			-1,366
	Offices																			
890	Headquarters																			
986	Major repairs and replacements																			
1012	Rental of space in PFH																			
1033	Reduced Facilities Management Costs																			
FF0004	Energy & Water Use Audits																			
	Building Control																			
1086	Building Control Income																			
	Environmental Mgmt Management Budget																			
1034	Reduction in Training Budget																			
1035	Removal of charge to capital (legacy cost pursuant to Service)																			
1037	Reduced Project & Assets Team Management Budget																			

Bid No.	Scheme	REVENUE										NET CAPITAL								
		BASE		F'CAST		BUDGET		MTP				BASE		F'CAST		BUDGET				
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2013	2014	2013	2014	2015	2016	2017	2018	2019
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	Strategic Review																			
	Outsourced/Shared Revs and Bens																			
	Service Manager IMD																			
	Helpdesk and Network Services																			
958	Help Desk Saving																			
959	Network and ICT Services																			
#	IMD Staff savings	-129	-19	-129	-19	-129	-19	-59	-84	-59	-84	-40	-40	-40	-40	-40	-40	-40	-40	-40
#	IMD Contract Savings																			
970	Telephony and ICT Network Renewal																			
976	ICT Replacements and Server Virtualisation	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275
1079	Mobile Phones (lower tariffs)		-5																	
	Strategic Review																			
	Outsourced/Shared IT																			
	Web and Business Systems																			
SAV117	IMD Shared Service Income	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
	Business Analysis and Project Management																			
495	Corporate EDM																			
891	Business Systems	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
900	Working Smarter																			
1002	Business Continuity Review	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
1102	IMD Savings & Delivering Cust Serv Strategy		5																	
	General Manager, OneLeisure																			
	Leisure Centres																			
857	St Neots LC Development	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149	-149
861	Future maintenance		20																	
896	St Ivo LC - Football Improvements																			
922	St Ivo LC Redevelopment	-350	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200

Bid No.	Scheme	REVENUE										NET CAPITAL										
		BASE		F'CAST		BUDGET		MTP				BASE		F'CAST		BUDGET		MTP				
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
956	Replacement Fitness Equipment	-22	-4	-25	-50	-50	-50	-50	-75	-75	330	50	200	250	250							
	Leisure Savings Target not yet identified	78	78	55	40	46	46	46	46	46												
	Leisure Savings	-190	-190	-300	-400	-400	-400	-400	-400	-400												
	Overperformance			-107	8	4	4	4	4	4												
	Estimated need to rephase target	-50	-50	-50	-50	-50	-50	-50	-50	-50												
1006	OLSI Replacement Tractor & Mower	-6	-6	-6	-6	-6	-6	-6	-6	-6												
1029	One Leisure Savings Proposals		0	12	12	10	10	10	10	10												
922	One Leisure St Ives Redevelopment			75																		
SM FF	Review Advantage Package			-25	-50	-70	-70	-70	-70	-70												
SM FF	One Leisure Card Annual Fee			-45	-45	-45	-45	-45	-45	-45												
SM FF	Reduce Use of External Contractors			-2	-2	-2	-2	-2	-2	-2												
Assistant Director (Finance and Resources)																						
Interest and Borrowing Costs																						
	Interest	674	843	870	882	901	1068	1410	1410	1410												
Other Expenditure																						
950	VAT Partial Exemption	6	7	-5	-5	-5	-5	-5	-5	-5	53	74	27	23	22	31	36					
	Doubtful Debts Provision	-20	-20	-30	-40	-40	-40	-40	-40	-40												
	Variation in MRP	273	136	641	1,011	1,176	1,527	1,802	1,802	1,802												
***	Pensions Fixed Sum	479	479	129	475	850	914	914	914	914												
1057	Huntingdonshire Regional College Loan		-72	-146	-149	-153	-156	-159	-159	-159												
1076	Saving in External Audit Fee		-50	-50	-50	-50	-50	-50	-50	-50												
1077	Insurance Premium Income		28	34	34	34	34	34	34	34												
1081	Advertising Opportunities			-20	-25	-25	-25	-25	-25	-25												
1082	Reduce training budgets			-20	-20	-20	-20	-20	-20	-20												
1083	Margin on Loans to RSL's etc			-21	-66	-116	-166	-166	-166	-166												
1085	No grants to towns/parishes re. Housing Support			-357	-357	-357	-357	-357	-357	-357												
1087	Group Life Insurance		-21	-21	-21	-21	-21	-21	-21	-21												
1101	Removal of Credit Interest Budget		6	6	6	6	6	6	6	6												
	NI increase: From "D" Rate to "A" Rate																					

Bid No.	Scheme	REVENUE										NET CAPITAL								
		BASE		F'CAST		BUDGET		MTP		BASE		F'CAST		BUDGET		MTP				
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2013	2014	2013	2014	2015	2016	2017	2018	2019
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Non-Allocated Items																				
Recharges to Non-Revenue Accounts																				
	Revenue staff charged to capital																			
Risk Provision																				
	Formula Grant reduction due to New Homes Bonus																			
	Reduced New Homes Bonus (long term empties)																			
	Provision for demographic growth																			
	Lower increase in car park charges	20																		
	Lower Council Tax Rises																			
	Protection and Performance Pay	320		184																
	Homelessness			50																
	NNDR Appeals (Half way to safety net)																			
	Refund of Land Charges (assume half)			86																
Other Items																				
	Reorganisation - Senior managers	-345		-395																
	Pay & allowances Review	-150		-150																
	Capital Inflation																			
	Revenue Inflation	407		691																
	Grant to Towns and Parishes (Loss of Taxbase)	357		357																
	Spending Adjustments still to be identified																			
	20013/14 Forecast variations																			
	Removal of T/O allowance	250		250																
	Correction of contingency and internal recharges			-21																
	Roundings	-1		-6																
1098																				
TOTAL		22,764	21,127	20,870	20,389	20,294	20,863	21,955	8,863	11,900	4,623	2,511	3,845	3,914	3,369					

TABLE 5 - ALL MTP CHANGES TO THE CURRENT APPROVED MTP

KEY

Changes since December update report have a black indicator in the first column.

Line Colours

Rephasing
Saving
Net Nil
Transfers (net nil)
Extra Cost
Capital to Revenue
Revenue to Capital
Technical

CHANGES TO CURRENT MTP		REVENUE						NET CAPITAL					
		F'CAST		BUDGET		MTP		F'CAST		BUDGET		MTP	
		2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000
Bid No.	Scheme												
Managing Director and Corporate Office													
HR & Payroll													
1001		-40	-25	-25	-25	-25							
1047				-6	-16	-16							
1050		-30	-30	-30	-30	-30							
Economic Development (Estates)													
239		-12	-12	-6	-6	-6							
1048		116	111	106	101	101							
1049		-15	-23	-23	-23	-23			263				
Economic Development (Other)													
1046			-18	-18	-23	-23							
1058		-20	-43	-43									
FF0008			-20	-20	-20	-20							
Estates													
			-20	-40	-50	-50							
			0	20	30	30							
Corporate Management													
FF0009			-29	-29	-29	-29							
FF0010				-13	-13	-13							
Corporate Office MU													
FF0011			-28	-28	-23	-23							
Estates													
FF???				-20	-20	-20							

CHANGES TO CURRENT MTP				REVENUE					NET CAPITAL				
Bid No.	Scheme	F'CAST 2013 £000	BUDGET 2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	F'CAST 2013 £000	BUDGET 2014 £000	2015 £000	2016 £000	2017 £000	2018 £000
Head of Legal & Democratic Services													
Environmental Health (Licensing)													
SAVING	Regulatory Limitation on price increases		19	19	19	19	19						
	Licensing												
FF0015	Review attribution of costs		-6	-6	-6	-6	-6						
Democratic Representation													
825	Members Allowances Review						4						
885	District Elections		-34	-25	-29	-64	12						
1041	Individual Electoral Registration (IER)	8	3	5	18	20	20						
1042	Members Allowances - Automatic Index Mechanism	-7	-7	-7	-7	-7	-7						
1044	Overview & Scrutiny Panel - Budget Provision	-3	-3	-3	-3	-3	-3						
Document Centre													
380	Replacement Printing Equip.							-45			-30		
894	Replacement Equipment Document Centre							-34	22	-12	2	25	12
895	Multi-functional Devices							-80	80		-80		80
SAVING	Document Centre - efficiency and external work		-10	-15	-20	-20	-20						
Legal & Democratic Mu													
1043	Legal & Democratic Budget Reduction	-22	-22	-22	-22	-22	-22						
	Strategic Review												
	Outsourced/Shared Legal Service		-25	-25	-25	-25	-25						
	Outsourced/Shared Legal Service		8	-13	-13	-13	-13						
Central Services													
FF0015	Land Charges market service, review fees & costs		-13	-23	-23	-23	-23						
FF0016	Elections: efficiency savings & improved csot recovery		-2	-3	-3	-3	-3						

CHANGES TO CURRENT MTP				REVENUE					NET CAPITAL								
Bid	Scheme	No.	F'CAST 2013 2014 £000	BUDGET		MTP			F'CAST 2013 2014 £000	BUDGET		MTP					
				2014 £000	2015 £000	2015 £000	2016 £000	2017 £000		2018 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2019 £000	
	Democratic Representation																
FF0017	Committee savings: reduced catering, charge/discontinue support for Town Centres			-5	-5	-5	-5	-5									
FF0018	Member support: training and office savings			-8	-8	-8	-8	-8									
	Document Centre																
FF0019	Reduction in cost of print - to be allocated across all relevant service budgets			-27	-30	-30	-30	-30									
FF0020	Office costs and post room savings			-10	-10	-10	-10	-10									
Head of Environmental and Community Services																	
	Environmental Health																
1061	Deletion of Commercial Team Post			-35	-35	-35	-35	-35									
SM FFF	Review Pest Control Service			-38	-38	-38	-38	-38									
SMFFF	Health & Safety Contract			-9	-9	-9	-9	-9									
911	Delete House Condition Survey			-55	-55												
	Community Initiatives																
952	Loves Farm Community Centre								-60		37						
1060	Deletion of Arts Development Budget			-11	-11	-11	-11	-11									
1063	Reduction in Voluntary Grants				-50	-50	-50	-50									
1065	Review of Community Development Service				-33	-33	-33	-33									
	Leisure Policy and Development																
1064	Reduction to Leisure Development Budget			-7	-7	-7	-7	-7									
1106	DASH Sport England Lottery Fund		0	0	0	0	0	0									
	Environmental & Community Health MU																
1062	ECHS Income Generation		-9	-19	-24	-29	-34	-34									

CHANGES TO CURRENT MTP										REVENUE						NET CAPITAL					
Bid		Scheme		F'CAST	BUDGET			MTP			F'CAST	BUDGET			MTP						
No.				2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2019	2018	2019			
				£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000			
Head of Operations																					
Refuse and Recycling																					
948			Provision for Bin Replacements																		
650			Recycling Credits	53	53	53	53	53	53												
969			Recycling Gate Fees	-11	-9																
979			Wheeled Bins for New Properties	-3	-4	-10	-17	-28	-31												
979			Wheeled Bins for New Properties (variation to bid)	3	4	10	17	28	31												
1030			Charge for second green bin	52	52	52	52	52	52												
1031			Extra refuse round due to housing growth																10		
1052			Bulky refuse income and expenditure	20	20	20	20	20	20												
FF0025			Nightsoil service no longer required		-11	-11	-11	-11	-11												
Street Cleaning and Litter																					
1051			Street Cleaning Savings		-70	-70	-70	-70	-70												
FF0022			Withdraw graffiti removal & fly posting service		-3	-3	-3	-3	-3										-20		
FF0021			Fixed penalty notices for dog fouling & littering		-5	-5	-5	-5	-5												
Community Safety																					
865			CCTV - Camera replacements																36		
1023			Wireless CCTV		30	30	30	30	30										-44		
1056			CCTV Shared Service	48	-2	-60	-67	-70	-70										40		
1056			CCTV Shared Service (variation to bid)		-36	-1	4	7	7										2		
Central Services (Emergency Planning)																					
1099			Emergency planning budget savings		-23	-23	-23	-23	-23												
Countryside																					
1053			Flail Mower - Countryside																12		
Parks and Open Spaces																					
854EY			Play Equipment & Safety Surface Renewal																		
1054			Lower Parks Repairs & Renewal Fund Contribution		-25	-25	-25	-25	-25										21		
1097			S.106 Play Area Projects	-75	-47														75		
																			47		

CHANGES TO CURRENT MTP										REVENUE					NET CAPITAL				
Bid	Scheme	No.	Car Parks	F'CAST 2013 £000	BUDGET		MTP			F'CAST 2013 £000	BUDGET		MTP						
					2014 £000	2015 £000	2015 £000	2016 £000	2017 £000		2018 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2019 £000		
1055	Christmas Parking			13															
	SAVING				16														
1103	Increase in Car Park Charges			-16	-16	-16	-16	-16	-16										
1112	Parking Budget Saving			90	90	90	90	90	90										
1113	Car parking volume reduction			58	29	29	29	29	29										
	On street parking surplus to County																		
	Vehicles and Plant																		
886	Vehicle fleet replacements.									97	130	8	41	97					408
886EY	Vehicle fleet replacements.																		
	Pool Cars																		
1026	Pool Cars									60									
1026EY	Pool Cars																		45
	Operations Management																		
1045	Ops Management and Admin Savings			-55	-88	-88	-88	-88	-88										
FF0023	Operations Management efficiency saving				-13	-26	-26	-26	-26										
	Assistant Director (Environment, Growth and Planning)																		
	Development Management																		
997	RAF Alconbury Development			-75	75														
1068	CIL related staff reorganisation				-30	-30	-30	-30	-30										
1072	Wyton Airfield Development				50	75	75	75	75										
FF0003	Implement E-Consultation				-2	-2	-2	-2	-2										
SM FF	Recover Consultants Costs				-1	-1	-1	-1	-1										

CHANGES TO CURRENT MTP											NET CAPITAL					
Scheme		REVENUE					NET CAPITAL									
Bid No.	Scheme	F'CAST	BUDGET		MTP			F'CAST	BUDGET		MTP					
		2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000			
	Planning Policy and Conservation															
358	Ramsey Rural Renewal	-5	-3													
903	Local Development Framework (Plan Policies) examinations	-217	105	49												
1073	Listed Building /Conservation Grants		-8	-8	-8	-8										
1075	Planning & Housing Strategy Efficiency Saving	-17	-17	-17	-17	-17										
1073	Additional Listed Buildings (Conservation) Grants Reduction		-29	-29	-29	-29										
	Economic Development															
224	Town Centre Developments	-86	86													
401	Huntingdon Town Centre Development															
850	Huntingdon West Development (Housing Growth Fund)															
	Car Parks															
923	Extra Car Parking, Huntingdon Town Centre		-10	-10	-10	-10										
480	Car Park Strategy	10														
SAV132	Reduced Car Park Income due to "free after 3 PM scheme"	82														
	Private Housing Support															
866	Disabled Facilities Grants															
867	Repairs Assistance	10														
869	Social Housing Grant															
932	Decent Homes - Thermal Efficiency and Category 1 H&S															
1071	Integration of Housing Strategy with Planning Policy		-25	-50	-50	-50										
1074	Two replacement static caravans	-30														
FF0001	Review Housing Renewal Assistance Policy															
FF0002	Mobile Home Park Income		-8	-8	-8	-8										
	Planning Management															
1070	Planning staff savings (existing vacancies)		-50	-50	-50	-50										
1069	Selling planning expertise to other LA's		-20	-20	-20	-20										

CHANGES TO CURRENT MTP		REVENUE						NET CAPITAL					
		F'CAST		BUDGET		MTP		F'CAST		BUDGET		MTP	
		2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
Bid	No.	Scheme	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Service Manager Environmental Management													
		Environmental Health (Energy Efficiency)											
879		Environment Strategy Funding											
880		Sustainable Homes Retrofit											
918		Building Efficiency Improvements (Salix Grant)	10	28	42	47	29	29	50	-180	-235	37	
918A		Building Effic. Imps (Potential LC proportion)	-10	-28	-42	-47	-29	-29					
989		St Neots District Heating Scheme											
1039		Environment Team Projects - Reduced Base Budget	-27	-42	-42	-42	-42	-42					
1040		Environment Team Projects - Budget Reduction	-20	-27	-27	-27	-27	-27					
FF0005		DECC Communities Funding		-16									
FF0006		Referral Fees Action on Energy Scheme		-10									
FF0007		Mobilising Local Energy Investment Funding	-15	-15	-15								
FF0024		Energy Saving Equipment		-10	-20		-30						
		Public Transport											
1036		Reduced Bus Shelter and Env Imps R&R Budget	-20	-20	-20		-20	-20					
1038		Street Naming and Numbering Savings	-20	-25	-25		-25	-25					
1038		Street Naming and Numbering Savings		-7	-7		-7	-7					
		Environmental Improvements											
1011		Chequers Court Public Realm											
		Offices											
890		Headquarters											
1012		Rental of space in PFH	25	25	25		25	25					
1033		Reduced Facilities Management Costs	-85	-85	-85		-85	-85					
FF0004		Energy & Water Use Audits		-2	-2		-2	-2					
		Building Control											
1086		Building Control Income	60	60	60		60	60					

CHANGES TO CURRENT MTP										REVENUE					NET CAPITAL				
Bid No.	Scheme	F'CAST 2013 £000	BUDGET 2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2019 £000	F'CAST 2013 £000	BUDGET 2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2019 £000				
																2013	2014	2015	2016
	Environmental Mgmt Management Budget																		
1034	Reduction in Training Budget	-3	-3	-3	-3	-3	-3												
1035	Removal of charge to capital (legacy cost pursuant to Service)	15	15	15	15	15	15												
1037	Reduced Project & Assets Team Management Budget	-25	-25	-25	-25	-25	-25												
Head of Customer Services																			
	Local Taxation and Benefits																		
1017	Council Tax support module								35										
1025	Cost of Post Office Payments	-10	-5	-5	-5	-5	-5												
1059	NDR Discretionary Relief	-30	-30	-30	-30	-30	-30												
1100	Loss of Admin Subsidy		50	50	50	50	50												
1104	Lower Bad Debt Provision Contributions	-177	-177	-177	-177	-177	-177												
SM FF	Recovery of Council Tax Benefit Overpayments	-85	-10																
	Call Centre																		
1066	New Call Centre Savings-Inc/Restructuring			-25	-25	-25	-25												
SM FF	Relocate Call Centre to PFH			-40	-40	-40	-40												
SM FF	Chanel Migration Strategy			-5	-10	-15	-15												
	Customer Service Centres																		
SM FF	Chanel Migration Strategy			-5	-5	-5	-5												
	Housing Services																		
SM FF	Efficiency Savings		-5	-5	-5	-5	-5												
	Homelessness																		
1019	Homeless Accommodation - Cost Reduction Schemes		32																
	Strategic Review																		
	Outsourced/Shared Revs and Bens		-50	-150	-150	-100	-100												
	Outsourced/Shared Revs and Bens			75	75	75	75												
CHANGES TO CURRENT MTP										REVENUE					NET CAPITAL				

		F'CAST			BUDGET			MTP			F'CAST			BUDGET			MTP		
		2013	2014	2015	2014	2015	2016	2016	2017	2017	2018	2013	2014	2015	2016	2017	2017	2018	2018
Bid	Scheme	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
No.																			
Service Manager IMD																			
	Helpdesk and Network Services																		
976	ICT Replacements and Server Virtualisation																		57
1079	Mobile Phones (lower tariffs)	-5	-20	-20	-20	-20	-20	-20	-20	-20									
	Strategic Review																		
	Outsourced/Shared IT		-50	-100	-100	-100	-100	-100	-100	-100									
	Outsourced/Shared IT		-30	-70	-70	-70	-70	-70	-70	-70									
	Business Analysis and Project Management																		
891	Business Systems										34	5	5	5	5	5	5	5	200
1002	Business Continuity Review	-1	-1	-1	-1	-1	-1	-1	-1	-1									
1102	IMD Savings & Delivering Cust Serv Strategy	5	-20	-35	-35	-35	-35	-35	-35	-35									
General Manager, OneLeisure																			
	Leisure Centres																		
857	St Neots LC Development			60	60	60	60	60	60	60									-250
861	Future maintenance	20									7								550
896	St Ivo LC - Football Improvements										53								-53
922	St Ivo LC Redevelopment	150									358								
956	Replacement Fitness Equipment	18	-3	32	32	32	32	32	32	7									200
956	Replacement Fitness Equipment			-60	-60	-60	-60	-60	-60	-60									250
1029	One Leisure Savings Proposals	0	13	12	11	11	11	11	11	11									
1029	One Leisure Savings Proposals - £1,000 rounding adj		-1	-1	-1	-1	-1	-1	-1	-1									
922	One Leisure St Ives Redevelopment		75																
SM FF	Review Advantage Package		-25	-50	-70	-70	-70	-70	-70	-70									
SM FF	One Leisure Card Annual Fee		-45	-45	-45	-45	-45	-45	-45	-45									
SM FF	Reduce Use of External Contractors		-2	-2	-2	-2	-2	-2	-2	-2									

CHANGES TO CURRENT MTP																						
Bid No.	Scheme	REVENUE						NET CAPITAL														
		F'CAST		BUDGET		MTP		F'CAST		BUDGET		MTP										
		2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000									
Assistant Director (Finance and Resources)																						
	Interest																					
	Interest Variation	169	-148	-297	-456	-632	-817															
	Other Expenditure																					
	VAT Partial Exemption	1	-11	-11	-11	-11	-11															
	Variation in MRP		149	298	458	630	816															
	Variation in MRP	-138	20	23	-71	-112	-123															
	Pensions Fixed Sum		-589	-283	92	156	156															
1057	Huntingdonshire Regional College Loan	-15	-13	-12	-10	-9	-7															
1057	Huntingdonshire Regional College Loan	-57	-133	-137	-143	-147	-152								1,500							
1076	Saving in External Audit Fee	-50	-50	-50	-50	-50	-50															
1077	Insurance Premium Income	28	34	34	34	34	34															
1080	Identify & Remove spare budgets		-50	-50	-50	-50	-50															
1080	Identify & Remove spare budgets across the Council		50	50	50	50	50															
1081	Adverting Opportunities		-20	-25	-25	-25	-25															
1082	Reduce training budgets		-20	-20	-20	-20	-20															
1083	Margin on Loans to RSL's etc		-30	-75	-125	-175	-175															
1083	Margin on Loans to RSL's etc		9	9	9	9	9															
1084	Other emerging minor staffing adjustments		-25	-50	-75	-100	-100															
	Other emerging minor staffing adjustments		25	50	75	100	100															
1085	No grants to towns/parishes re. Housing Support		-357	-357	-357	-357	-357															
1087	Group Life Insurance	-21	-21	-21	-21	-21	-21															
1101	Removal of Credit Interest Budget	6	6	6	6	6	6															
	Outsourced/Shared Debtors		-25	-25	-25	-25	-25															
	Outsourced/Shared Debtors		25	25	25	25	25															
	Pension due on Overtime & Other Allowances		67	67	67	67	67															
	NI increase: From "D" Rate to "A" Rate																					

CHANGES TO CURRENT MTP		REVENUE						NET CAPITAL					
		F'CAST		BUDGET		MTP		F'CAST		BUDGET		MTP	
		2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000
Bid	Scheme												
No.													
Non-Allocated Items													
	Risk Provision												
	Reduced New Homes Bonus (long term empties)		-50	-90	-230	-370	-510						
	Provision for demographic growth		-90	-90	-90	-90	-90						
	Lower increase in car park charges	-20	-20	-20	-20	-20	-20						
	Lower Council Tax Rises		-38	-16	-100	-110	-210						
	MMI Drawdown		-140										
	Protection and Performance Pay	-320	320										
	Protection and Performance Pay		-776	-846	-1,026	-1,173	-1,435						
	A14 Funding Contribution			-200	-200	-200	-200						
	Homelessness		-50		-100	-100	-100						
	NDR Appeals (Half way to safety net)			150	150	150	150						
	Refund of Land Charges (assume half)		86										
	Other Items												
	Future Capital Provision (outturn prices)												3,222
1098	Correction of contingency and internal recharges	-101	-21	-21	-21	-21	-21						
	20013/14 Forecast	-693	0	0	0	0	0						
	Revenue Inflation	0	-118	-262	-348	-358	-185						
	Variation in Savings (2014/15 prices)	0	1,500	1,156	1,387	837	1,274						
	Capital Inflation												
	TOTAL	-1,638	-1,328	-2,366	-2,752	-3,364	-3,186	3,037	1,834	-1,135	-21	-53	22

TABLE 6 – CAPITAL PROGRAMME SHOWING EXTERNAL FUNDING

CAPITAL PROGRAMME		NET CAPITAL								GRANTS AND CONTRIBUTIONS									
		BASE		F'CAST		MTP				BASE		F'CAST		MTP					
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2013	2014	2014	2015	2016	2017	2018	2018	2019
Bid No.	Scheme	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Managing Director and Corporate Office																			
Economic Development (Estates)																			
1049	Invest to Save Proposal - Highlode (Ramsey)			263															
Head of Legal & Democratic Services																			
Document Centre																			
380	Replacement Printing Equip.	70		25			178												
894	Replacement Equipment Document Centre	46		12	33	9	33	28	12										
895	Multi-functional Devices	80			80				80										
Head of Environmental and Community Services																			
Community Initiatives																			
952	Loves Farm Community Centre	60			37														
Head of Operations																			
Refuse and Recycling																			
948	Provision for Bin Replacements	38		29	42	54	75	75	75										
979	Wheeled Bins for New Properties	143		107	255	135	130	110	55										
1030	Charge for second green bin	20		32															
1031	Extra refuse round due to housing growth							158											
Street Cleaning and Litter																			
FF0022	Withdraw graffiti removal & fly posting service			-20															
Community Safety																			
865	CCTV - Camera replacements	41		77	45	45	43												
1023	Wireless CCTV	250		290															
1056	CCTV Shared Service				2	2	150	65	3										
Countryside																			
1053	Flail Mower - Countryside			12															
Parks and Open Spaces																			
854	Play Equipment & Safety Surface Renewal	45		45	40	40	20	20	21										
854EY	Play Equipment & Safety Surface Renewal																		
1097	S.106 Play Area Projects			75	47														

CAPITAL PROGRAMME		NET CAPITAL										GRANTS AND CONTRIBUTIONS							
		BASE		F'CAST		MTP						BASE		F'CAST		MTP			
		2013	2014	2013	2014	2014	2015	2016	2017	2018	2019	2013	2014	2014	2015	2016	2017	2018	2019
Bid No.	Scheme	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	Car Parks																		
461	Car Park Repairs				151														
	Environmental Improvements																		
703	Heart of Oxmoor	-1,366		-1,366															
1011	Chequers Court Public Realm																		
	Offices																		
890	Headquarters	-420		-420	-300	-120													
986	Major repairs and replacements				50														
	Head of Customer Services																		
1017	Local Taxation and Benefits																		
	Council Tax support module				35														
	Service Manager IMD																		
	Helpdesk and Network Services																		
958	Help Desk Saving	75		75	75	75													
970	Telephony and ICT Network Renewal																		
976	ICT Replacements and Server Virtualisation	258		258	57	57													
	Business Analysis and Project Management																		
891	Business Systems	225		225	200	200													
	General Manager, OneLeisure																		
	Leisure Centres																		
861	Future maintenance	272		272	322	322													
896	St Ivo LC - Football Improvements	-53		-53	-53														
922	St Ivo LC Redevelopment	1,000		1,358															
956	Replacement Fitness Equipment	330		50	200	250													

Bid No.	CAPITAL PROGRAMME	NET CAPITAL						GRANTS AND CONTRIBUTIONS						
		BASE		F'CAST		MTP		BASE		F'CAST		MTP		
		2013	2014	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Assistant Director (Finance and Resources)													
	Other Expenditure													
	VAT Partial Exemption	53	74	27	23	22	31	36						
1057	Huntingdonshire Regional College Loan		1,500											
	Non-Allocated Items													
	Recharges to Non-Revenue Accounts													
	Revenue staff charged to capital	50	50	50	50	50	50	50						
	Other Items													
	Capital Inflation				61	185	279	317						
	Schemes brought forward	500	500	500	500	500	500	500						
	Schemes carried forward	-500	-500	-500	-500	-500	-500	-500						
	TOTAL	8,863	11,900	4,623	2,511	3,845	3,914	3,369	9,006	2,600	1,644	1,961	852	631

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	2014/15 Treasury Management Strategy
Meeting/Date:	Cabinet 13 February 2014
Executive Portfolio:	Resources: Councillor J A Gray
Report by:	Assistant Director (Finance and Resources)
Ward(s) affected:	All Wards

Executive Summary:

The Council is required by law to approve, on an annual basis a Treasury Management Strategy; this requirement is enshrined within relevant Codes of Practice issued by the Chartered Institute of Public Finance and Accountancy and other guidance issued by central government.

The aim of the Treasury Management Strategy is to manage the Council's investments, cash flows, banking, money market and capital market transactions within the requirements of an effective control environment but coupling this with the pursuit of optimum performance consistent with those risks.

The approval of the Treasury Management Strategy rests with Full Council, with oversight being undertaken by the Cabinet. To support the Cabinet, the Leader, Deputy Leader, Portfolio Holder for Resources and the Chairman of the Overview & Scrutiny Panel (Economic Well-Being), as well as relevant officers, attend the Treasury Management Advisory Group (TMAG). The role of TMAG is to comment on current and future Treasury Management activity.

Highlights of the 2014/15 Treasury Management Strategy include:

- The operation of the strategy within an economic climate that is showing moderate growth but where the likelihood is that interest rates will remain low into the medium term.
- An increase in net borrowing costs due to the Council no longer holding investments at advantageous rates of interests.
- The continuation of the Councils policy to:
 - take advantage of borrowing in advance of need, and
 - the provision of loans to organisations that meet either service objectives or to support local organisations in their development where risk is mitigated by appropriate financial security.
- The addition of Pooled Property Funds for longer term investing purposes.

Recommendation(s):

It is recommended that Overview and Scrutiny notes the report and recommends to Cabinet and then to Council the approval of:

- The Treasury Management Policy, Annex B.
- The Treasury Management Strategy, Annex C.

1. PURPOSE

1.1 The aim of the Treasury Management Strategy is to provide strategic guidance on how the Council shall conduct its Treasury Management activity. The Strategy shall:

- Include relevant policies, objectives and treasury/prudential indicators; as well as illustrating its approach to risk management.
- Comply with the Code or Practice for Treasury Management and the Prudential Code for Capital Finance (as issued by the Chartered Institute of Public Finance and Accountancy, CIPFA) and reflect published Government advice.

1.2 The Strategy is an key element of the Councils Code of Financial Management, Annex A shows what is included in the Code of Financial Management in respect of Treasury Management.

2. TREASURY MANAGEMENT POLICY STATEMENT AND STRATEGY

2.1 The proposed Treasury Management Policy and 2014/15 Strategy is attached as Annex B and C respectively.

2.2 The investment strategy is to invest any surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest. The Council's borrowing strategy permits borrowing for cash flow purposes and funding current and future capital expenditure over whatever periods are in the Council's best interests.

3. LEGAL IMPLICATIONS

3.1 No direct, material legal implications arise out of this report.

4. RESOURCE IMPLICATIONS

4.1 The resource implications are noted within this report.

5 REASONS FOR THE RECOMMENDED DECISIONS

5.1 It is recommended that Overview and Scrutiny notes the report and recommends to Cabinet and then to Council the approval of:

- The Treasury Management Policy, Annex B.
- The Treasury Management Strategy, Annex C

6. LIST OF APPENDICES INCLUDED

Annex A: Code of Financial Management (extract)

Annex B Treasury Management Policy Statement

Annex C Treasury Management Strategy 2014/15

The Strategy also includes the following Appendices:

1 - Definition of Credit Ratings


- 2 - In-House Fund Management (If No Further Advance Borrowing)
- 3 - CIPFA Prudential Code For Capital Finance In Local Authorities; Prudential Indicators And Treasury Management Indicators For 2013/14

BACKGROUND PAPERS


Working papers in Financial Services

CONTACT OFFICER

Steve Couper, Assistant Director (Finance and Resources)

 01480 388103

Clive Mason, Accountancy Manager

 01480 388157

Code of Financial Management (extract)

Treasury Management

➤ Code of Practice

All Treasury Management activities will be undertaken in accordance with the Council's annual Treasury Management Strategy, which includes its policies, objectives, approach to risk management and its prudential indicators. The Strategy will comply with the Code of Practice for Treasury Management and the Prudential Code for Capital Finance, but published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and reflect any published Government advice.

➤ Governance

▪ The Council

.....shall have overall responsibility for Treasury Management and will formally approve the annual Treasury Management Strategy and receive an annual and mid-year report on treasury management activities.

▪ The Cabinet

.....will be responsible for the implementation and regular monitoring of treasury management activity.

▪ The Overview and Scrutiny (Economic Well-being) Panel

.....will be responsible for the scrutiny of treasury management.

▪ The Responsible Financial Officer

.....will establish treasury management practices for the operation of the function which will ensure compliance with the Strategy and create appropriate systems of monitoring and control.

▪ The Treasury Management Advisory Group (TMAG)

.....will be a formal liaison group between members and those officers responsible for treasury management.

TREASURY MANAGEMENT POLICY STATEMENT

Definition

The Council defines its treasury management activities as:

- the management of the Council's investments, cash flows, banking, money market and capital market transactions.
- the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Risk management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

Value for money

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Borrowing policy

The Council needs to balance a number of elements in its borrowing policy for funding capital expenditure:

- Utilising a mixture of borrowing periods to reduce the overall impact of changes in interest rates.
- Creating certainty by fixing borrowing for longer periods.
- Minimising the long term cost of any borrowing.
- Ensuring that short term costs are as low as possible.
- Using the Council's own reserves on a temporary basis

Clearly some of these elements can give contradictory answers and the decision on each borrowing decision will need to be based on balancing these elements, taking account of existing borrowing.

The Council will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.

Investment policy

All investment decisions need to follow a risk assessment which takes account of the need to protect the principal sums invested from loss, ensuring

adequate liquidity so that funds are available to fund expenditure when needed, and the generation of investment income to support the provision of local authority services. Adequate weighting must be given to data reflecting the security of the investment.

Loans to Organisations

The Council may make loans to:

- local organisations, if this will allow the organisation to provide services that will further the Council's own objectives, and
- organisations where no service benefits are involved, but with the objective of earning a margin on the amounts loaned.

In either case loans will only be made where all risks have been considered and appropriate safeguards are in place.

Governance

The Council will have regard to the Communities and Local Government Guidance on Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

TREASURY MANAGEMENT STRATEGY 2014/15

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 (2011) and the Government's Guidance on Local Government Investments (2010)

BACKGROUND

Growth: The flow of credit to households and businesses slowly improved but was still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.1% in November 2013 helped consumers. There was hope it might allow real wage increases (i.e. after inflation) to slowly turn positive, improve confidence and aid future consumer spending.

Stronger UK growth data in 2013 (0.4% in Q1, 0.7% in Q2 and 0.8% in Q3) alongside a pick-up in property prices, mainly stoked by government initiatives to boost mortgage lending, led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. Unemployment was 7.4% in the three months to October 2013. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, economic growth was likely to only be gradual.

Monetary Policy: There was no change to UK monetary policy with official interest rates and asset purchases maintained at 0.5% and £375bn respectively. On the probability of unemployment reaching the 7% threshold under the MPC's Forward Guidance, the November Inflation Report attached only a two-in-five chance to the rate having reached the 7% level by the end of 2014. The corresponding figures for the end of 2015 and 2016 were around three-in-five and two-in-three respectively. These forecasts brought forward market expectations of a bank rate rise, although the MPC repeatedly emphasised that the 7% threshold was not an automatic trigger for a rate rise.

A fragile economic recovery, subdued inflation and depressed bank lending resulted in the European Central Bank cutting the repo rate from 0.50% to

0.25%. ECB President Mario Draghi strengthened the Bank's pledge to keep interest rates low for as long as necessary and warned that it was too soon to say the euro region is out of danger.

In the US, following the clear momentum witnessed in its economy – despite the political impasse which resulted in a partial government shutdown during the quarter - the 'tapering' of asset purchases was announced by the Federal Reserve in December. Tapering will commence in January 2014 and with the Fed reducing its monthly purchases from \$85bn to \$75bn a month. Financial markets reacted in a predictably ebullient manner with risk assets such as equities rallying toward higher levels whilst government bond prices reversed, leading to higher yields.

INTEREST RATE FORECASTS

Markets are still pricing in an earlier rise in rates than warranted under the MPC's forward guidance and the broader economic backdrop. The Council's treasury management adviser, Arlingclose, believes that the projected path for short term interest rates remain flat and it could be the third or fourth quarter of 2016 before official UK interest rates rise. Although the MPC left its policy stance unchanged at its January meeting, there is an increasing view that its forward guidance regime may need adjusting given the reasonably rapid improvements in the labour market as it is unlikely to raise rates until there is a sustained period of strong growth.

For the purpose of the Council's Medium Term Plan the following interest rates have been assumed but it is recognised that all assumptions about the speed with which rates will begin to rise is problematic.

	2014/15	2015/16	2016/17	2017/18	2018/19
	%	%	%	%	%
Temporary investments	0.58	0.58	0.55	0.95	1.43
PWLB 20 year borrowing (EOY)	3.39	3.64	4.08	4.25	4.50
Temporary borrowing	0.43	0.43	0.45	0.85	1.33

Against the background of low interest rates 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, unable to repay. It therefore adopted a strategy for 2013/14 that did not concentrate its investments with the Government's Debt Management Office which are effectively 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. At the same time investments in "liquidity accounts" which offer repayment the same day were maximised to further reduce risk.

The 2013/14 Strategy allowed for borrowing in anticipation of need to fund capital expenditure although that option has not so far been used this year. It is envisaged that a similar allowance is included in the 2014/15 Strategy.

CURRENT POSITION AND EXPECTED TREASURY PORTFOLIOS

The Council's position as at 31 December 2013 was:

INVESTMENTS & BORROWING		Principal Amount £m	Average Interest Rate %
Investments			
Short Term	- maturing by 31 st March 2014	7.4	0.45%
	- maturing 2013/14	3.0	0.38%
Long Term	- maturing later	1.6	3.40%
Total		12.0	0.83%
Borrowing			
Short term	- maturing by 31 st March 2014	0	0%
	- maturing 2013/14	0	0%
Long term	- maturing later	(11.5)	3.68%
Total		(11.5)	3.68%
Net Investments		£0.5m	2.23%

Expected changes in portfolio

According to current cash flow forecasts, net borrowing is expected to increase to £16.3m by 31st March 2014.

Budget implications

The budget for net interest in 2013/14 was £0.239m; the forecast outturn is £0.201m, a saving for £38,000. The small saving is attributable to a combination of low borrowing interest rates (especially between local authorities), delays in capital expenditure and higher than expected revenue reserves.

The budget for net interest in 2014/15 is £0.425m.

THE COUNCIL'S FINANCIAL STRATEGY

BORROWING STRATEGY

As noted above, the Council currently holds £11.5m of long-term loans; this is all borrowed from the Public Works Loans Board (PWLb).

Planned borrowing strategy for 2014/15 and future years

The table below shows the expected levels of reserves and the need for borrowing to fund capital expenditure over the MTP period.

	2014/ 2015 £m	2015/ 2016 £m	2016/ 2017 £m	2017/ 2018 £m	2018/ 2019 £m
Existing long term borrowing <i>available long term</i>	11.5	11.5	11.5	11.5	11.5
Revenue Reserves (EOY)	9.0	7.9	7.5	6.9	6.1
Provision for repaying loans (EOY)	4.4	6.4	8.6	11.1	13.9
Earmarked Reserves (EOY) ❶ <i>available on a year by year basis</i>	1.9	1.6	1.6	1.6	1.6
	15.3	15.9	17.7	19.6	21.6
Cash Flow benefit average <i>fluctuates from day to day</i>	13.2	13.2	13.2	13.2	13.2
FUNDING REQUIRED					
Capital Expenditure					
Brought Forward	49.7	53.5	55.6	59.1	62.7
Capital Expenditure in Year	(3.8)	(2.1)	(3.5)	(3.6)	(3.1)
Carried Forward	(53.5)	(55.6)	(59.1)	(62.7)	(65.8)
Fixed Term Investment (EOY)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
Total Required Funding	(55.0)	(57.1)	(60.6)	(64.2)	(67.3)
<i>Excluding Use of Reserves</i>					
MAY BORROW	(43.5)	(45.6)	(49.1)	(52.7)	(55.8)
<i>Including Use of Reserves</i>					
MUST BORROW	(28.2)	(29.7)	(31.4)	(33.1)	(34.2)
NEED FOR FURTHER BORROWING – FUNDING IN ADVANCE					
MAY BORROW A FURTHER	(10.8)	(11.6)	(11.4)	(11.3)	(11.8)
NEED FOR FURTHER BORROWING – LOANS TO ORGANISATIONS					
MAY BORROW A FURTHER	(50.0)	(75.0)	(75.0)	(75.0)	(75.0)

Notes

❶ includes specific earmarked reserves (e.g. Special Reserve, Repairs & Renewals Funds)

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 and Business Rate receipts will be different to the days the money is physically received from Council Tax and Business payers. These cash flows will sometimes leave the Council with several million pounds to borrow, or invest, either overnight or for a few weeks depending on the next precept date.

Authorities are permitted to borrow short term for this purpose and all borrowing decisions will be made on the most economically advantageous

rates for the period that is required to be covered. 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.

Borrowing – No Funding Activity

The amount of capital borrowing up until March 2015 (i.e. up to an estimated £43.5M, “may borrow”) will be dependent upon the actual levels of revenue spending which will determine the level of the Council’s own reserves that can be used and the level of capital spending which will determine the total sum required. The period of borrowing will reflect the current and anticipated interest rate profile. If short term interest rates began to rise consideration would be given to whether long term rates were attractive enough to support long term borrowing. If rates remain low it is much more difficult to justify long term borrowing.

The “**MUST borrow**” amount represents the minimum amount that it is estimated that the Council will have to borrow if it uses its own reserves to fund part of the borrowing. The “**MAY borrow**” limit is based on using no internal funds for this purpose.

Borrowing – Funding in Advance

This additional limit is based on the agreement with our previous external auditors that it would be legitimate to borrow in advance to fund our 5 year published capital programme if market circumstances indicated that this was likely to be in the long term interests of the Council. This would require longer term borrowing rates to be at levels that appeared to be attractive when compared with rates that were expected over the remainder of that period. It would also need to take account of the difference between the borrowing rates and the currently, much lower, investment rates that would be received pending the use of the money for funding capital from sufficiently secure counterparties. A risk assessment will be carried out before undertaking any advance borrowing.

For example, if long term rates fell to 3.5% we would seriously consider increasing borrowing whilst if long term rates were 5.5% this would be extremely unlikely.

Currently low short-term rates reduce the likelihood of advance borrowing as the revenue budget would have to ‘take the hit’ of the borrowing rates being higher than the temporary investment rate in the short to medium term.

However, history has shown that violent fluctuations can happen and so there needs to be the freedom to act if circumstances significantly change.

Borrowing – Loans to Organisations

The amounts shown are indicative at this stage and any such loans to organisations would be subject to separate approval by Cabinet.

Borrowing - Profile

It is best practice to pool all funds and model future cash flow before determining the amounts that should be borrowed or invested and for how long. In doing this account will be taken of the provision that the Council is required to build up to fund the repayment of debt

The Council will be balancing two different aspects when deciding on the period it will borrow for:

- **Stability.**
Avoid the risk of adverse market movements affecting the cost of borrowing. To do this the logical option is to borrow the money for as long as needed.
- **Lowest Cost.**
Minimise the overall cost of borrowing which, at the present time, might result in very short borrowing because of the very low interest rates available. However, future rates may rise significantly meaning that it was better to have paid more initially and borrowed longer.

The logical result is to spread the risk by borrowing for a range of periods. However, given the Council's current financial position it may be that, until interest rates have returned to normal relativities or there is sufficient certainty that they will do so, the Council should use its revenue reserves and/or borrow short term for rates that are currently under 1%.

Any long term 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 linked to the cost of central government borrowing. Commercial bodies have become less involved since the financial crisis and their products were generally for shorter periods and often include embedded options. The most common was a "Lender's Option Borrower's Option" deal, better known as 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 need to approve a prudential indicator for the 'authorised limit for external debt'. This will include forward funding of the MTP and Loans to Organisations but the three elements will be kept separate. With regard to 2014/15:

1. £85m No Forward Funding Activity
 - temporary borrowing for cash flow purposes (£25m)
 - long term existing borrowing (£10m)
 - borrowing to fund the forecast capital programme (£45m)
 - an allowance for other long-term liabilities, such as finance leases (£5m)
2. £11m Long term based on maximum borrowing in advance
3. £50m Long term borrowing to finance Long Term loans to Other Organisations: £50m

INVESTMENT STRATEGY 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 must be:

- in sterling (avoiding exchange rate fluctuations) **and**,
- 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) **and**,
- **not** defined as capital expenditure in the capital finance regulations 2003 (e.g. equities and corporate bonds though there is current consultation on removing bonds from the capital constraint) **and**,
- with a body that the Council considers is of high credit quality or with the UK Government or a local authority. (minimising the counterparty risk), this includes Money Market Funds where the Council has set minimum criteria.

These include time-deposits for up to 1 year with building societies and banks which the Council deems to have a high credit quality (see below), but it should be noted that early repayment, before the due date is rarely possible and may require a release fee.

No investment that counts as Capital expenditure will be undertaken, without Cabinet approval, as it effectively transfers revenue funds into capital when the investment is repaid which has significant impacts on the Council's financial flexibility.

Non-specified investments include longer deposits and other types of investment e.g. corporate bonds and equities.

The Council may use the following non-specified investments:

- Time Deposits of longer than 12 months with banks and building societies
- UK government bonds, supranational bank bonds
- loans to other local authorities and other organisations (further definition of the latter is shown below) over 12 months to maturity
- Corporate Bonds over 12 months to maturity, 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 Treasury Management Advisory Group. Use would be limited to Bonds that could be held to maturity thus avoiding fluctuations in capital value.
- Pooled Property Funds

This is a new investment opportunity for the Council for 2014/15. It is intended to be a longer term vehicle (i.e. 5 years or longer), although money can be withdrawn with 1 month's notice. These types of investments are not "credit rated" because the investment is not in "cash", it is in a non-liquidity asset. Before any money is invested, this will be discussed and agreed at TMAG.

INVESTMENTS – HIGH CREDIT QUALITY

The term 'high credit quality' is used in the CLG guidance to encourage local authorities to monitor other measures of an institution's credit worthiness 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. (Appendix A)
- The top 25 Building Societies by asset size irrespective of any credit rating they may hold subject to the comments below. 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 takeovers of weak societies by strong ones. However any Building Society with a rating of less than BBB will not be used and use will be suspended of Building Society with a "rating watch" warning pending consideration of further information of the potential impact.
- Reacting immediately to any "rating watch" warnings or informal comments from our advisors in relation to market concerns. Use of counterparties subject to such warnings/advice will be suspended pending consideration of further information of the potential impact.
- Credit Default Swap prices obtained from our advisors.
- The credit rating of the country of the institution. This must be AA or above (the exception being in respect of the domicile of Money Market Funds, see later section).

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.

Current account bank

Following a competitive tender exercise, in April 2010 the Royal Bank of Scotland Group (NatWest) was appointed to provide Banking Services in

respect of the Council's current accounts. With a long term rating of "A" (January 2014) the bank is close to the bottom of the above credit rating criteria for this type of institution.

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, including any institutions that are linked in the same group.
- By country.

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 – PERIODS

Once a time deposit is made there is no requirement for the borrower to repay until the end of the agreed period. Thus a borrower who has a high credit rating on the investment day could be in serious financial difficulties in the future. As a result significant use is made of liquidity accounts which currently give an attractive interest rate but also allow repayment of our investment the same day.

The Council will register with a selection of money market funds with AAA ratings which also allow same-day withdrawal of funds. The domicile for some of these funds can be in a low rated country; however as it is stipulated that the fund itself has to be Triple A, this is acceptable.

These funds will be used as appropriate taking account of comparative security and yields. During 2013/14, the Council used the following money market funds:

- Public Sector Deposit Fund, operated by Church's, Charities and Local Authorities, and
- Ignis Liquidity Fund, operated by Ignis Asset Management.

If during 2014/15, where it becomes advantageous, further funds may be used.

INVESTMENTS - MANAGEMENT

Taking account of the Credit Quality and Spreading the Risk sections above, Appendix B outlines the criteria and limits 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.

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. The criteria also differentiates the duration of investments based on credit rating e.g. the maximum duration of investments with building societies with no rating will be 1 month.

Advantage is also being taken 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.

LOANS TO SUPPORT THE ACHIEVEMENT OF SERVICE OBJECTIVES

Opportunities will arise from time to time for the Council to further its objectives by making loans to local organisations or businesses. Such loans are considered to be investments as defined in this strategy. All such loans would require Cabinet approval and details of any risks pertaining to the loan would be included in the relevant Cabinet report. These loans would not be subject to the 5 year investment limit.

LOANS WITH SECURITY

The Localism Act potentially enables the Council to benefit from its low cost of borrowing to earn a margin by providing a loan to other bodies where no service benefits are involved. This option will be investigated but would only be implemented following legal and external audit confirmation of the statutory power, including consideration of the impact of the state aid regulations, and where security of the investment can be made through a legal charge on an adequate value of asset(s) to protect the Council from the possibility of default. If it is proposed to make such a loan, the Cabinet report requesting approval will include appropriate legal and valuation advice. These loans would not be subject to the 5 year investment limit.

POLICY ON USING FINANCIAL DERIVATIVES

Local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. lenders option/borrowers option (LOBO) loans).

The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. It is unlikely that the Council will utilise standalone financial derivatives.

Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy. The Council is only likely to make limited use of embedded derivatives e.g. LOBOs

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

ADVISORS

Arlingclose are the Councils appointed advisors. 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. It should be noted that having external advisors does not negate the responsibility for Treasury Management decisions from the Council and its officers

MANAGEMENT

The Responsible Financial Officer and his staff will manage and monitor investments and borrowing.

The Treasury Management Advisory Group consists of four members and relevant officers. Members are kept informed of relevant issues and consulted on any significant issues.

The Council uses a cash flow model which is updated daily to forecast future cash flow movements to determine the maximum length for which any investment or borrowing shall be considered. The length of any investment would take account of actual and forecast interest rates over the loan period to ensure it optimises the Council's position. At this time the Council is unlikely to invest for more than a year unless:

- further advance borrowing is undertaken, or
- "back-to-back" financing of a LoO loan (this would be subject to separate Cabinet approval).

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 the Overview & Scrutiny (Economic Well-being) Panel.

TRAINING

The needs of the Council's treasury management staff for training are assessed every six 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. Member training will be provided as necessary.

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/or
- reduce or only minimally increase the level of risk, and/or
- supported by the Council's Treasury Management Advisors,

are delegated to the Responsible Financial Officer, after consultation with the Treasury Management Advisory Group. 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.

The indicators are based on allowing the ability to borrow in advance if this becomes attractive. If it does not, the Council is likely to be significantly within many of the limits.

DEFINITION OF CREDIT RATINGS

	Rating	Definition	Examples of counterparties
Short term (Fitch)	F1	Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.	Royal Bank of Scotland/NatWest (F1) Nationwide Building Society
	F2	Good intrinsic capacity for timely payment of financial commitments.	Leeds Building Society
	F3	The intrinsic capacity for timely payment of financial commitments is adequate.	Skipton Building Society
Long-term (Fitch)	AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk . They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	Germany, Sweden, Switzerland, USA
	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.	United Kingdom AA+
	AA-		Standard Chartered Bank, HSBC Bank
	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 adverse business or economic conditions than is the case for higher ratings.	Nationwide Building Society
	A-		Leeds Building Society

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

IN-HOUSE FUND MANAGEMENT (IF NO FURTHER ADVANCE BORROWING)

Duration of investments	No investment shall be longer than 5 years. Maximum duration for a Building Society with no rating is 1 month.																
Types of investments	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds Money market funds UK Government bonds and Supranational Bank bonds Loans to Organisations Pooled Property Funds																
Credit Ratings	<p>Building Societies All Building Societies with ratings of BBB or above. Building Societies with no ratings. (maximum duration 1 month)</p> <p>Money Market Funds AAA credit rating Pooled Property Funds (such funds are not credit rated as they are investments in non-liquid assets)</p> <p>Local Authorities or UK Government No rating required</p> <p>Non-Building Societies 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.</p> <p>Loans to Organisations These will not require a specific credit rating but will be subject to individual approval by Cabinet.</p>																
Maximum limits per counterparty (group), country or non-specified category	<table> <tr> <td>F1+ or have a legal position that guarantees repayment for the period of the investment</td> <td>£5M</td> </tr> <tr> <td>F1</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets over £2bn in top 25 (Currently 10)</td> <td>£5M</td> </tr> <tr> <td>Building Society with assets over £1bn if in top 25 (Currently 3)</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets under £1bn in top 25</td> <td>£3M</td> </tr> <tr> <td>Liquidity (Call) Account with a credit rating of F2 or with a legal position that guarantees repayment or a Building Society.</td> <td>£5M</td> </tr> <tr> <td>BUT total invested with counterparty/group shall not exceed</td> <td>£8M</td> </tr> <tr> <td>Money market fund AAA Credit rating</td> <td>£4m</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 any other types. - £10M Pooled Property funds - £15M in total <p>Country limits</p> <ul style="list-style-type: none"> - UK - unlimited - £5M in a country outside the EU - £10M in a country within the EU (excluding UK) - £20M in EU countries combined (excluding UK) 	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 10)	£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 F2 or with a legal position that guarantees repayment or a Building Society.	£5M	BUT total invested with counterparty/group shall not exceed	£8M	Money market fund AAA Credit rating	£4m
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 10)	£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 F2 or with a legal position that guarantees repayment or a Building Society.	£5M																
BUT total invested with counterparty/group shall not exceed	£8M																
Money market fund AAA Credit rating	£4m																

	<p>– Country of Domicile for Money Market Funds – unlimited, providing the fund is AAA.</p> <p>Except for Money Market Funds, no investment will be made in country with a sovereign rating of less than AA.</p> <p>These limits will be applied when considering any new investment from 27 February 2014. 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 counterparty.</p> <p>Loans to Organisations No limit in value or period.</p>
Benchmark	LGC 7 day rate

INVESTMENT LIMITS FOR INCREASES IN ADVANCE BORROWING

	Level of Borrowing in Anticipation		Rating Constraints
	from	£5M	£11M
	to	£10M	£20M
BUILDING SOCIETIES			
Assets over £2bn	£5M	£5M	
Assets over £1bn	£4M	£4M	
Rest of top 25 by assets	£3M	£3M	
BANKS & OTHER INSTITUTIONS			
F2+ or legal status	£5M	£5M	AA- if more than 1 year
F2	£4M	£4M	AA- if more than 1 year
LIQUIDITY ACCOUNTS			
Limit in liquidity account	£5M	£6M	F2or legal status
Limit with any other investments in institution	£8M	£9M	
POOLED PROPERTY FUND			
	£10M	£10M	
NON-SPECIFIED INVESTMENTS			
Time Deposits over 1 year in total	£20M	£30M	
Corporate Bonds in total	£5M	£8M	Not yet determined
TERRITORIAL LIMITS			
UK	Unlimited		
EU (excluding UK)	£20M	£20M	
EU Country (other than UK)	£10M	£10M	
Any other Country	£5M	£5M	

**CIPFA PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES
PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT INDICATORS
FOR 2013/14**

The relevant Prudential and Treasury Management indicators that need to reflect the potential borrowing to finance funding in advance and loans to organisations have been amended. Where no requirement is shown, the indicator only reflects what is included in the Council's Medium Term Plan.

All decisions relating to loans to organisations will be subject to approval by the Cabinet. Where these decisions will affect the relevant prudential or treasury indicators noted below, other than Item 7: "the authorised limit for external debt, retrospective approval will sought of Council at either the mid-year or full year reporting periods.

PRUDENTIAL INDICATORS

1. Actual and Estimated Capital Expenditure

	2012/13 Actual £m	2013/14 Forecast £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Gross	8.3	14.4	5.4	4.0	4.3
Net	6.5	11.9	3.8	2.1	3.5

Where it is determined that loans to organisations are for capital purposes, this will be treated as capital expenditure and would be in addition to the current capital programme.

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

2012/13 Actual	2013/14 Forecast	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
4%	7%	10%	13%	13%

Assuming no borrowing in advance or loans to organisations.

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 from the previously approved MTP due to capital schemes (including their associated revenue implications).

The actual change in Council Tax will be significantly different due to revenue variations, spending adjustments and the use of revenue reserves.

	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Variation	£1.08	£1.90	(£0.96)
Cumulative	£1.08	£2.98	£2.02

4. The capital financing requirement.

This represents the estimated need for the Authority to borrow to finance capital expenditure less the estimated provision for redemption of debt (the MRP).

	31/3/13 Actual £m	2013/14 Forecast £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
No Funding Activity	27.0	37.8	40.0	40.1	41.4	42.5	42.8

In addition, this strategy makes provision for loans which may need to be treated as capital expenditure:

	0.0	25.0	50.0	75.0	75.0	75.0	75.0
Loans to Organisations							

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 year and any specific decisions to borrow in advance or make loans to organisations.

The Council will explain the degree of borrowing and investment in its half-year and annual reports together with the reason for the movements so that Members can be assured that there is no borrowing for revenue purposes other than in the short term (cash flow).

5a. Gross and Net Debt

This indicator is intended to highlight the level of advance borrowing by limiting the variation between gross debt (borrowing) and net debt (borrowing less investments). The more borrowing in advance the higher the gross debt but there is no change in net debt because the borrowed sums will be invested pending them being needed to finance capital expenditure. Thus net debt as a proportion of gross debt falls as borrowing in advance occurs.

Unfortunately the position is complicated by the significant variations that the Council has to contend with relating to day-to-day cash flow which can cause major fluctuations in this proportion.

Guidance has not been issued on the practical use of this indicator and so there seems little point in setting one this year.

To achieve the equivalent result all advance borrowing will be reported to the Treasury Management Advisory Group and highlighted in the mid-year and end of year reports.

6. The actual external long-term borrowing at 31 March 2013

£10m

(the current level of PWLB borrowing is £11.5m)

7. The authorised limit for external debt.

This is the maximum limit for borrowing and is based on a worst-case scenario. It reflects borrowing to fund capital rather than using reserves and the three elements (No activity, borrowing in advance and loans) will be controlled separately.

	2013/14 Limit £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Short term	20	25	25	25
Long term	48	55	57	61
Other long-term liabilities (leases)	5	5	5	5
Total - No Funding Activity	73	85	87	91
Long Term based on the maximum borrowing in advance	14	11	12	11
Long term borrowing to finance Long Term Loans to Organisations	25	50	75	75

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.

	2013/14 Limit £m	2014/15 Limit £m	2015/16 Limit £m	2016/17 Limit £m
Short term	15	20	20	20
Long term	48	55	57	61
Other long-term liabilities (leases)	5	5	5	5
Total – No Funding Activity	68	80	82	86
Plus any long term borrowing in advance	14	11	12	11
Plus any long term borrowing to finance long term loans to organisations	25	50	75	75

9. Adoption of the CIPFA Code

The Council has adopted the 2011 edition of the CIPFA Treasury Management Code of Practice.

TREASURY MANAGEMENT INDICATORS

10. Exposure to interest rate risk as a proportion of net investments.

This indicator is set to control the Council's exposure to interest rate risk. Investments of less than 12 months count as variable rate.

If the Council does not borrow in advance it is quite possible that all investments will be of less than a year's duration and hence count as "variable rate".

		2014/15		2015/16		2016/17	
		Limits		Limits		Limits	
		Max	Min	Max	Min	Max	Min
Borrowing Longer than 1 year	Fixed	100%	75%	100%	75%	100%	75%
	Variable	25%	0%	25%	0%	25%	0%
Investments Longer than 1 year	Fixed	100%	100%	100%	100%	100%	100%
	Variable	0%	0%	0%	0%	0%	0%

11. Borrowing Repayment Profile

The proportion of borrowing in place during 2014/15 that will mature in successive periods. This indicator is set to control the Council's exposure to refinancing risk.

The Council has £11.5M long term borrowing but the uncertainty on whether any forward borrowing will take place and the potential for short term borrowing to be the most attractive option results in the limits set out below.

Funding capital schemes	Upper limit	Lower limit
Under 12 months	92%	0%
12 months and within 24 months	92%	0%
24 months and within 5 years	92%	0%
5 years and within 10 years	93%	1%
10 years and above	100%	7%

This may be affected by any Funding in Advance or Loans to Organisations.

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. These limits need to allow for borrowing in advance.

The uncertainty about borrowing in advance results in higher limits than would otherwise be required.

	2014/15 £m	2015/16 £m	2016/17 £m
Limit on investments over 364 days as at 31 March each year.	32.7	34.0	37.7

This may be affected by any Funding in Advance or Loans to Organisations.

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OUR VISION

Huntingdonshire District Council will continue to improve the quality of life for the people of Huntingdonshire and work towards sustainable economic growth whilst providing value for money services.

STRATEGIC THEMES

A strong local economy

Enable sustainable growth

Working with our communities

A Customer focused and service led council

AIMS

- Support enterprise
- Successful delivery of the Alconbury Enterprise Zone
- Work with others to improve strategic infrastructure
- Promote Inward investment
- Support the skills levels that aid economic prosperity

- Enable an adequate supply and mix of new and affordable housing to meet future needs.
- Promote sustainable, economical & residential development opportunities in and around the market towns
- Protect and improve our built and green environment
- Having the right policies in place & making the right decisions

- Maximise benefits to the community from new developments
- Achieve a low level of homelessness
- Build constructive relationships with all our partners in order to adopt multi agency problem solving approaches
- To undertake meaningful consultation, being open, transparent and accessible

- Robust business processes
- Make our services accessible to all
- Good financial management
- Making our assets count
- Workforce Development
- Efficient Internal Processes
- Effective communications

OUTCOMES

Make Huntingdonshire a better place to live, work and invest

Delivery of new jobs and suitable appropriate housing with minimum impact on our environment

Enhanced community & stakeholder engagement

Provide value for money services

Theme/Aim	Key activity (these are some of the types of activities which will be used to measure impact/delivery)	O & S Panel	Executive Portfolio
A strong local economy <ul style="list-style-type: none"> Support enterprise 	<ul style="list-style-type: none"> Business support programme for those considering starting own business Deliver programme of themed business information events Advise and consult board of BID Huntingdon Hunts Business Awards – sponsorship, steering group, judging, table and leader’s speech at event. Dedicated advice service for business growth 	Economic Well-Being	Strategic Economic Development and Legal
<ul style="list-style-type: none"> Successful delivery of the Alconbury Enterprise Zone 	<ul style="list-style-type: none"> Support for funding applications (writing, monitoring, accountable body) Target sector promotion (editorial representation and attendance at events relevant to target sectors to promote inward investment, business relocation) Lead the EZ delivery strategy 	Economic Well-Being	Strategic Economic Development and Legal
<ul style="list-style-type: none"> Work with others to improve strategic infrastructure 	<ul style="list-style-type: none"> Supporting Partners- Connecting Cambridgeshire for superfast broadband A14 Steering Group Great Fen project – establish socio economic impact and opportunities for enterprise Joint working with infrastructure providers 	Economic Well-Being	Strategic Economic Development and Legal
<ul style="list-style-type: none"> Promote Inward investment 	<ul style="list-style-type: none"> Target sector promotion (editorial and events) Develop stand alone web site and brochure to encourage inward investment enterprise relocation to the district 	Economic Well-Being	Strategic Economic Development and Legal
<ul style="list-style-type: none"> Support the skills levels that aid economic prosperity 	<ul style="list-style-type: none"> facilitate EZ skills strategy group Develop links between businesses and schools 	Economic Well-Being	Strategic Economic Development and Legal

	<ul style="list-style-type: none"> Grassroots project – Oxmoor/Alconbury pathways to employment, coordination of HDC participation, financial contribution and Oxmoor project determination. Sponsorship and board representation for Young Enterprise Workclubs 		
<p>Enable sustainable growth</p> <ul style="list-style-type: none"> Enable an adequate supply and mix of new and affordable housing to meet future needs. 	<ul style="list-style-type: none"> Allocating sufficient land to meet objectively assessed need. Influencing developers to provide a mix of houses to meet the needs for a range of incomes, household types and sizes. Maximising the opportunities available for new affordable housing. Using Council assets to support delivery 	Env Well-being	Strategic Planning Housing Estates
<ul style="list-style-type: none"> Promote sustainable, economical & residential development opportunities in and around the market towns 	<ul style="list-style-type: none"> Investing in and drawing down funding for infrastructure, land and facilities to enable development Development of local plan strategies Development of town centre regeneration plan 	Env Well-being	Strategic Planning Housing Estates
<ul style="list-style-type: none"> Protect and improve our built and green environment 	<ul style="list-style-type: none"> Minimising the development of greenfield land Conserving our heritage assets 	Env Well-being	Environment
<p>Working with our communities</p> <ul style="list-style-type: none"> Maximise benefits to the community from new developments 	<ul style="list-style-type: none"> Development of CIL governance regime Establish procedures for community focused engagement. Increase in usage and membership arising from investment 	Economic Well-Being	Strategic Planning and Housing
<ul style="list-style-type: none"> Achieve a low level of homelessness 	<ul style="list-style-type: none"> Deliver services to help prevent homelessness where possible or alleviate homelessness where not. Enable and deliver affordable housing schemes. 	Social Well-Being	Customer Services Estates Housing
<ul style="list-style-type: none"> Build constructive relationships with all our partners in order to adopt multi agency problem solving approaches 	<ul style="list-style-type: none"> Working with our partners the community and voluntary sectors to deliver required outcomes Fulfilling our duty to co-operate 	Social Well-Being	Executive Leader & Deputy Executive Leader
<ul style="list-style-type: none"> To undertake meaningful 		Economic Well-	Executive Leader & Deputy

consultation, being open, transparent and accessible	<ul style="list-style-type: none"> Ensuring information and advice is available and accessible. 	Being	Executive Leader
A business like Council <ul style="list-style-type: none"> Make our services accessible to all 	<ul style="list-style-type: none"> Enabling access to facilities and opportunities for leisure, sport, community, voluntary and other activities Implement customer strategy and introduce lean processes Widen appeal of centres to encourage increased participation 	Economic Well-Being	Customer Services
<ul style="list-style-type: none"> Good financial management Making our assets count 	<ul style="list-style-type: none"> Producing accurate financial plans and accounts which are regularly reviewed Maintaining clear funding, reserves and borrowing plans Clear direction and focus on taking One Leisure into sustainable profit Commercially managed estates and investment portfolio 	Economic Well-Being	Resources
<ul style="list-style-type: none"> Workforce Development 	<ul style="list-style-type: none"> Training and developing employees 		
<ul style="list-style-type: none"> Efficient Internal Processes 	<ul style="list-style-type: none"> Efficient use of the Council's resources Streamlining internal systems, connecting with others where possible 		
<ul style="list-style-type: none"> Effective communications 	<ul style="list-style-type: none"> Ensuring regular and effective communication internally with employees and externally with local residents and businesses about our services Improved communication via web and mobile applications to encourage easier interaction with council leisure facilities 		

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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