



A meeting of the **CABINET** will be held in **CIVIC SUITE 0.1B, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 28 NOVEMBER 2019** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. MINUTES (Pages 3 - 6)

To approve as a correct record the Minutes of the meeting held on 24th October 2019.

Contact Officer: H Peacey - (01480) 388007

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary and other interests in relation to any Agenda item.

Contact Officer: Democratic Services - (01480) 388169

3. INTEGRATED PERFORMANCE REPORT 2019/20 - QUARTER 2 (Pages 7 - 78)

To present performance management information on the Council's Corporate Plan for 2018/22 and progress updates for current projects.

Executive Councillors: J A Gray and D M Tysoe.

Contact Officer: D Buckridge / C Edwards - (01480) 388065 / 388822

4. TREASURY MANAGEMENT SIX MONTH PERFORMANCE REVIEW (Pages 79 - 104)

To note the Treasury Management performance for the first 6 months of 2019/20 and recommend the report to Council for consideration.

Executive Councillor: J A Gray.

Contact Officer: C Edwards / S Martin - (01480) 388822 / 388107

5. HINCHINGBROOKE COUNTRY PARK JOINT GROUP (Pages 105 - 108)

To receive the Minutes of the meeting of the Hinchingsbrooke Country Park Joint Group held on 11th October 2019.

Executive Councillor: J M Palmer.

Contact Officer: H Peacey - (01480) 388007

20 day of November 2019



Head of Paid Service

Disclosable Pecuniary Interests and Non-Statutory Disclosable Interests

Further information on [Disclosable Pecuniary Interests and Non - Statutory Disclosable Interests is available in the Council's Constitution](#)

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Arrangements for these activities should operate in accordance with [guidelines](#) agreed by the Council.

Please contact Mrs Habbiba Peacey, Democratic Services Officer, Tel No: 01480 388169 / e-mail: Habbiba.Peacey@huntingdonshire.gov.uk 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](#).

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 Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 24 October 2019.

PRESENT: Councillor G J Bull – Chairman.

Councillors Mrs M L Beuttell, R Fuller and J M Palmer.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors J A Gray and D M Tysoe.

IN ATTENDANCE: Councillors D Keane and J Neish.

35 MINUTES

The Minutes of the meetings held on 19th September and 8th October 2019 were approved as a correct record and signed by the Chairman.

36 MEMBERS' INTERESTS

No declarations were received.

37 ENGLAND'S ECONOMIC HEARTLANDS - OUTLINE TRANSPORT STRATEGY : FRAMEWORK FOR ENGAGEMENT

Consideration was given to a report prepared by the Planning Services Manager – Growth (a copy of which is appended in the Minute Book) which provided an outline of England's Economic Heartland's Outline Transport Strategy: Framework for Engagement which included its aims and objectives and a draft consultation response on issues that affect the Huntingdonshire District Area, its corporate priorities and objectives.

Following a brief introduction by the Deputy Executive Leader and Executive Councillor for Housing, Planning and Economic Development and in noting the views of the Overview and Scrutiny Panel (Performance and Growth), it was

RESOLVED

that delegated authority to submit the Council's final consultation comments on England's Economic Heartlands Outline Transport Strategy: Framework for Engagement be given to the Planning Service Manager – Growth, in consultation with the Executive Leader and Deputy Executive Leader.

38 FINAL REPORT OF THE ACCELERATING THE DELIVERY OF AFFORDABLE HOUSING TASK AND FINISH GROUP

(Councillor S J Corney was in attendance for consideration of this item).

The Cabinet considered the final report of the Task and Finish Group appointed by the Overview and Scrutiny Panel (Performance and Growth) on Accelerating the Delivery of Affordable Housing (a copy of which is appended in the Minute Book).

Councillor S J Corney, Lead Member of the Task and Finish Group advised that the proposed recommendations intended to generate more awareness of the work already undertaken by the Council in the delivery of affordable housing rather than the acceleration of it. In discussing the fourth recommendation, it was agreed that this should not be endorsed in light of the fact that statistics on homelessness and the number of affordable homes completed were already sent to Members.

Having thanked the Task and Finish Group for their report, the Executive Councillor for Housing, Planning and Economic Development commented upon the omission of his involvement in the study which might have resulted in slightly different outcomes. Nevertheless, Councillor Fuller expressed his support for the first three recommendations proposed.

In concurring with the view that Housing Associations needed to be more proactive in their approaches to delivering affordable housing, it was

RESOLVED

- (a) that, whilst recognising the importance of Rural Exception sites in providing affordable housing to areas that need them, the Council should not be reliant on them in order to accelerate and increase the delivery of affordable housing;
- (b) that the Council should continue to support Rural Exception Sites and promote the opportunities they will bring in providing affordable housing to rural areas; and
- (c) that the Council should continue to review and, if practicable, pursue the opportunities that partnership working with Housing Associations offer in accelerating the development of affordable housing. In particular, the Council should continue to encourage and support Housing Associations in securing sites in their own right resulting in less reliance on developers.

39 LIFELONG HEALTH TASK AND FINISH GROUP - PART ONE FINAL REPORT

(Councillor Mrs S Smith was in attendance for consideration of this item).

A report by the Task and Finish Group appointed by the Overview and Scrutiny Panel (Customers and Partnerships) was submitted (a copy of which is appended in the Minute Book) to consider the initial findings of the study into Lifelong Health.

In introducing the report, Councillor Mrs S Smith, Member of the Task and Finish Group, drew attention to the aims of the review and apprised the Cabinet with the outcome of site visits undertaken at Little Paxton and Yaxley Parish Councils.

She then went on to outline that a future area for examination would be to investigate the fear of benefit claimants at losing income if they were to adopt healthier and active lifestyles.

In response to questions raised by the Executive Leader querying whether there would be any slippages in the proposed timetable of activities outlined in paragraph 6.3, it was agreed that the scope of further work undertaken by the Task and Finish Group should be reviewed and refined at its next meeting.

In recognising the work undertaken at Little Paxton Parish Council, comment was made by the Executive Councillor for Partnerships and Wellbeing that the success of initiatives in local areas were dependent on the enthusiasm and dedication of volunteers which would be difficult to achieve across the District. It was also confirmed that the Head of Leisure and Health had been invited to attend and contribute at Task and Finish Group meetings.

Having agreed to minor changes to the wording of the third recommendation, the Cabinet

RESOLVED

- (a) to produce and distribute an electronic guide for Parish Councils in order to encourage them to install their own health and sport facilities;
- (b) to include on the agenda of the next Parish Conference a section which highlights the experiences of Little Paxton and Yaxley;
- (c) that the Leisure and Health Service should continue to regularly liaise with Parish Councils and Community Groups, in order to establish what events are taking place and attend them to promote the Council's health and well-being offer; and
- (d) to support the continuation of the Task and Finish Group and note the timetable contained in paragraph 6.3 of the report now submitted on the understanding that the scope of further work is reviewed and refined at its next meeting.

Chairman

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**Public
Key Decision - No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Integrated Performance Report, 2019/20 Quarter 2
Meeting/Date:	Cabinet, 28 November 2019
Executive Portfolio:	Councillor Jonathan Gray, Executive Councillor for Resources Councillor Darren Tysoe, Executive Councillor for Digital and Customer
Report by:	Business Intelligence and Performance Manager and Finance Manager
Ward(s) affected:	All

Executive Summary:

The purpose of this report is to brief Members on progress against Key Actions and Corporate Indicators listed in the Council's Corporate Plan 2018/22 for the period 1 July to 30 September 2019 and on current projects being undertaken. Scheduled performance clinics focus on delivering continuous improvements in all services.

Key Actions, Corporate Indicators and targets are as included in the Corporate Plan Refresh 2019/20, as approved by Council on 24 July 2019.

The report also incorporates Financial Performance Monitoring Suite information setting out the financial position at 30 September 2019. It provides outturn figures for revenue and the capital programme. Headlines are:

Revenue – the forecast outturn shows underspend of £0.328m

Capital programme – the forecast outturn shows a net overspend of £0.668m

An update on the Commercial Investment Strategy includes details of investments to date and the level of returns these are expected to generate, with information on potential investment opportunities reviewed in Quarter 2 attached at Appendix E.

Recommendations:

The Cabinet is invited to consider and comment on progress made against the Key Actions and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C.

The Cabinet is also invited to consider and comment on financial performance at the end of September, as detailed in Appendices D, and the register of reviews of Commercial Investment Strategy propositions at Appendix E.

1. PURPOSE

- 1.1 The purpose of this report is to present details of delivery of the Corporate Plan 2018/22, and project delivery, in the context of the Council's financial performance.

2. BACKGROUND

- 2.1 The Council's Corporate Plan is currently being refreshed and once adopted will set out what the Council aims to achieve in addition to its core statutory services. The information in the summary at **Appendix A** relates to Key Actions and Corporate Indicators and the performance report at **Appendix B** details all results at the end of September.
- 2.2 As recommended by the Project Management Select Committee, updates for projects based on latest approved end dates are included at **Appendix C**. Across all programmes there are currently 28 projects which are open, pending approval or pending closure, and one project logged which has recently closed.
- 2.3 This report also incorporates financial performance to the end of June. This performance was as shown in sections 4-6 below, with further details listed in **Appendix D**. Commercial investment propositions reviewed are at **Appendix E**.

3. PERFORMANCE MANAGEMENT

- 3.1 Members of the Overview and Scrutiny (Performance and Growth) Panel have an important role in the Council's Performance Management Framework and a process of regular review of performance data has been established. The focus is on the strategic priorities and associated objectives to enable Scrutiny to maintain a strategic overview. Their comments on performance in Quarter 2 will be inserted in section 7 following their meeting on 5 November 2019.
- 3.2 Progress against Corporate Plan objectives is reported quarterly. The report at **Appendix B** includes details of all Key Actions and Corporate Indicators at the end of Quarter 1. **Appendix C** provides information about projects, including the purpose of the project and comments from the Programme Office as to the current status of each project's SharePoint site as part of the new governance arrangements.
- 3.3 Performance Indicator data has been collected in accordance with standardised procedures.
- 3.4 The following table summarises Quarter 2 progress in delivering Key Actions for 2019/20:

Status of Key Actions	Number	Percentage
Green (on track)	24	80%
Amber (within acceptable variance)	5	17%
Red (behind schedule)	0	0%
Awaiting progress update	1	3%
Not applicable	0	

Most key actions were on track at the end of Quarter 2 and none were significantly behind schedule. Actions which have seen positive progress recently include:

- KA 1. The One Leisure Active Lifestyles team has worked with over 50 partners already this year, including schools and care homes, to deliver physical activity programmes that encourage local residents to be more active, more often.
- KA 6. The Huntingdon Neighbourhood Plan received an 87% 'yes' vote at referendum and an updated Neighbourhood Planning Guide has been adopted.
- KA 8. Operations have supported 40 community litter picks.
- KA 10. Community continue to take enforcement action against littering and flyposting offences, with prosecution costs and fines of £10k for one offender.
- KA 14. The Better Business For All initiative has launched.
- KA18. A Future High Street Funding bid for St Neots was successful.
- KA 23. A Housing Delivery Test Action Plan was endorsed by Cabinet in July.
- KA 24. Decisions on Community Infrastructure Levy spend were made by Cabinet in July which commit funding for a number of infrastructure projects in the district.
- KA 25. Additional income has been secured from our commercial property estate, with lease renewals alone generating an extra £21k a year for the Council and one-off income also raised from releasing restrictive covenants and granting wayleaves.

3.5 Quarter 2 results for 2019/20 Corporate Indicators are shown in the following table:

Corporate Indicator results	Number	Percentage
Green (achieved)	29	67%
Amber (within acceptable variance)	10	23%
Red (below acceptable variance)	2	5%
Awaiting progress update	2	5%
Not applicable (annual/data unavailable)	0	

The majority of performance indicators were on track at the end of Quarter 2, with only two Red as performance was below an acceptable variance. The Red indicators related to energy used in Council buildings (PI 29), which is below target partly due to higher heating demand linked to weather conditions in the first half of the year, and avoidable contacts (PI 38), which has not reduced as much as planned partly due to delays in integrating Streetscene services with the customer portal.

Indicators where services are exceeding their targets include the following:

- PI 2. The average number of days taken to process new Housing Benefit and Council Tax Support claims has been cut to 22.78 days from 24 days in Q1.
- PI 3. The average number of days taken to process changes of circumstance for Housing Benefit and Council Tax Support has fallen to less than 3.7 days.
- PI 4. Early interventions have helped to prevent homelessness, with 272 successful preventions in April to September compared to 153 for the same period last year.
- PI 6. One Leisure Active Lifestyles have attracted more users, with activities for young people in particular attracting a number of new participants.
- PI 11 & 12. Streetscene services have recorded high levels of performance in the cleanliness of sampled areas and the response times to street cleansing requests.
- PI 14 & 15. Grounds maintenance services also continue to exceed targets.
- PI 20. The increase in commercial properties liable for Business Rates had nearly exceeded the annual target by the end of Q2, although numbers can drop.

- PI 33. Staff sickness has continued to fall and is on track to come in under the 9 days per FTE target for the first time since 2013/14.

3.6 The status of corporate projects at the end of September is shown in the following table:

Corporate project status	Number	Percentage
Green (progress on track)	7	41%
Amber (progress behind schedule, project may be recoverable)	7	41%
Red (significantly behind schedule, serious risks/issues)	3	18%
Pending closure	2	
Closed (completed)	7	

The business case for two further projects have not yet been approved.

There are seven projects showing as Amber, usually as a result of slippage in the project, even when reported against revised dates. Of the projects currently in the delivery stage, three were Red at the end of Quarter 2; all of which were shared service projects.

The Project Management Governance Board has held one-to-one meetings with project managers which have identified that unrealistic timeframes have been a common theme for amber/red flags, as well as a lack of up to date governance documentation. The reasons for not meeting original target dates for projects were recently explored at a joint session with all project managers and included discussions on Project Initiation Documents (PID) and Business Cases where initial dates are set.

Governance arrangements are being reviewed, including the roles of Project Sponsors and Project Boards, to help ensure that projects run successfully to time and to budget. Lessons learned captured through closedown reports are also being shared with all project managers. Details of all projects can be found in **Appendix C**.

4. FINANCIAL PERFORMANCE

4.1 Financial Performance Headlines

The Management Accounts include the forecast outturn position for the current financial year and the impact of variations will be incorporated within the MTFS. Revenue statements show gross expenditure by service and where some costs are funded by reserves this is shown to provide the net position.

Revenue The approved Budget is £17.157m with the forecast outturn being £16.829m which is an underspend of £0.328m. The main reasons are shown on the next page.

MTFS The MTFS was updated as part of the 2019/20 Budget setting process and will again be updated as part of the 2020/21 Budget setting process which is now under way. The revision of the MTFS will include 2018/19 outturn variations and others occurring or foreseen in 2019/20 that have an impact on future years.

Capital The approved Budget is £7.7m plus the re-phasing of £2.1m giving a revised total Capital Programme of £9.8m. The net forecast outturn is £7.6m giving an overspend of £0.7m. The reasons for these variances are detailed in paragraph 5.6.

The Financial Dashboard at **Appendix D, Annex E** presents information on take-up of Council Tax Support, NDR and Council Tax collection, miscellaneous debt and New Homes Bonus funding.

4.2 Summary Revenue Forecast Variances by Service

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

	Budget £000	Forecast outturn gross £000	Transfers to / (from) reserves £000	Forecast outturn net £000	Forecast (underspend) / overspend £000	Main reasons for variance
Community	1,743	1,732	0	1,732	(11)	<ul style="list-style-type: none"> • Staff savings due to delay in recruitment • Additional costs in relation to Hamerton Zoo inquiry
Customer Services	2,768	2,605	107	2,712	34	<ul style="list-style-type: none"> • Increase in the net cost of rent allowances to payments not attracting 100% subsidy i.e. placements in short term accommodation where subsidy is capped.
ICT	2,145	2,128	(50)	2,078	(67)	
Development	1,010	686	(49)	637	(373)	<ul style="list-style-type: none"> • Staff savings due to delays in recruitment • Additional planning application fees
Leisure and Health	(20)	(42)	25	(17)	3	
Operations	3,744	4,385	(210)	4,175	432	<ul style="list-style-type: none"> • Increase in playground equipment maintenance • Staff Savings • Additional water standpipe costs not budgeted for • Reduction in expected efficiency savings on litter bin reductions • Reduction in expected income generation from replacement bins • Reduction in income from rental of 3rd floor at Pathfinder House
Resources	4,231	3,955	(113)	3,842	(389)	<ul style="list-style-type: none"> • Reduction in MRP costs during 19/20 due to slippage of capital programme in 18/19 • Staff savings not achieve due to delay in service restructure

	Budget	Forecast	Transfers	Forecast	Forecast	Main reasons for variance
	£000	outturn	to / (from)	outturn	(underspend)	
		gross	reserves	net	/ overspend	
		£000	£000	£000	£000	
						• Additional Income from Commercial Investments
Directors and Corporate	1,626	1,610	60	1,670	44	
Transformation	0	285	(285)	0	0	
Total	17,157	17,344	(515)	16,829	(328)	

4.3 Further analysis of the revenue variance and service commentary are at **Appendix D**. This provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

4.4 **Medium Term Financial Strategy**

The actual outturn for 2018/19 showed an underspend of £0.248m which will have some impact on the MTFs. The new MTFs for the period 2020/21 to 2023/24 which will be compiled during the current budget setting process, will be updated where the 2018/19 outturn has an impact.

5. **CAPITAL PROGRAMME**

5.1 The approved gross Capital Programme 2019/20 is £7.7m plus the re-phasing of £2.1m giving a revised total Capital Programme for 2019/20 of £9.8m.

5.2 The forecast net expenditure outturn is £7.6m, an overspend of £0.668m. The gross expenditure to 30 September 2019 was £1.817m (18.5% of Budget, 50% of the year).

Variation Commentary Summary		£000s
Overspend		
	<p>Alms Close Development</p> <p>This project was tendered via the Procurement Portal, the tenders that have been received are in the region of £1.6m, with an additional £150,000 required for consultants fees, this amounts to a potential overspend on the budget of £728,000. There are council contingencies included of around £80,000 which may be utilised, but could amount to a saving on this sum if not required. If the contingencies were not required then the committed additional spend would be reduced to £648,000.</p> <p>The new Alms Close design has increased the useable floor space, and has built in additional floor space in the event tenants seek to construct mezzanine flooring. Additional mezzanine floor space would increase the overall floor space of each unit by 50% to 75% of the ground floor areas. The council could then obtain additional income through the lease in the event the tenant does add mezzanine flooring.</p> <p>The tenderer that has been advised by professional consultants, whilst not the lowest, it does though provide the council with minimal risk in relation to disputes regarding costs. When the lowest tender was reconciled several major works item that were missing, had to be added in, and to accept this tender would put the council at risk.</p> <p>The last steps prior to acceptance of the tender will be a costing exercise, whereby the council will have to undertake a costing exercise to calculate the investment return over the standard 20</p>	728

Variation Commentary Summary		£000s
	year period. As things stand the project is ready to proceed subject to financial approval.	
	Health and Safety Works, Roof Works Minor overspend expected on works to meet statutory requirements, and completion of roofing works (retention).	9
	Cash Receipting Software Work to complete touch-tone phone payments for customers to pay invoices.	13
	Total Overspend	750
Growth		
	Insurance Settlement – Eastfield House Fire A settlement has been agreed with the Council’s insurers to finance the replacement of IT equipment destroyed in the fire at Eastfield House, part of the equipment was replaced in 2018/19, the remainder will be replaced in 2019/20.	0
	Salix Building Efficiency Salix has indicated that the money paid back into the fund from previous projects and the rollover from last year’s budget is £62,000. They are expecting the council to invest a minimum of 75% (£46,000) in this financial year. The extra expenditure is funded from savings made in revenue (utilities) budgets.	14
	Oak Tree Development Work on the planning for the Oak Tree Development has commenced this is funded from grant.	0
	Travellers Security Improvements Huntingdonshire generally has a relatively low number of illegal traveller incursions but has seen a significant increase in numbers recently, with 13 incursions in the past 3 months including 6 in public parks. It has been noticeable that security measures currently in place in parks are being breached more often than in the past. Considerable work has been done in recent years to streamline eviction processes. Despite this, incursions are causing inconvenience to residents and significant costs to the Council in relation to eviction and clearance. A review of the approach we take to dealing with incursions has been carried out and a number of changes to approach are proposed, as noted below. A multi-strand approach is recommended, including security measures, trial of evictions, disruption of illegal activities, communicating with communities, and working in partnership with communities, other local authorities and the Police.	50

Variation Commentary Summary		£000s
	A report detailing the background to incursions, current challenges, options and a comprehensive cost schedule has been circulated to SLT and will be further circulated for approval at member level.	
	<p>Oaktree Centre Remedial Work The Council owns the Oak Tree Centre on the Oxmoor, with the property being principally let to the NHS.</p> <p>A few years ago it was established that there were significant 'build' issues that are affecting the structural integrity. The Council has already undertaken some 'urgent' remedial works but more significant works are required.</p> <p>The estimated cost of the remedial works included in the capital programme is £0.950m; but as previously reported to Treasury and Capital Management Group, the gross cost is expected to be around £2m. However, overall there is a net nil change to the capital and a marginal decrease, as consequence of lower MRP, cost to revenue (this is because the financing will utilise the Oak Tree Remedial Works Earmarked Reserve).</p>	50
	<p>One Leisure St Ives Outdoor Fitness Offering A report to Cabinet in June 2019 outlined the proposals for maximising the returns for the Outdoor Centre at St Ives by converting the squash courts to provide a new fitness offering on the site. Cabinet approved the new scheme subject to a full feasibility study being provided to the December 2019 meeting.</p> <p>The capital programme included a £250k estimate for this scheme however the option now proposed is likely to cost £500k. This cost is reduced by £50k from the application of CIL funding.</p>	200
	Total Growth	314
Underspend		
	<p>Re-Fit Projects The Project is scheduled to complete July 2019. Currently (prior to all variations being costed) £165889 is left to be paid. 2% of the total project costs must be kept as a retainer for 12 months following the completion of the project - approx £16,941.</p>	(58)
	<p>Disabled Facilities Grants Additional Better Care Fund grant has been received in excess of the approved budget (£95,000), SCDC has shared their excess grant with the council (£80,000), and contribution from tenants are forecast to be (£15,000). Additional expenditure</p>	(180)

Variation Commentary Summary		£000s
	based on commitments is forecast to be £10,000.	
	Wheeled Bins Detailed planning for this years requirements for wheeled bins, taking into account new housing developments and bin stock it is expected that fewer bins will be required this year.	(95)
	OL Ramsey 3G Pitch Additional grant received (£161,000) more than off-sets additional expenditure incurred £154,000.	(7)
	Parking Strategy Negotiations with the contractor over costs are producing a small saving of £15k on this project.	(15)
	Total Underspend	(355)
Rephase		
	Robotics It is now expected that £10k of expenditure will be incurred in 2020/21.	(10)
	Income Management Software Work on this project has not yet begun and so some costs are likely to be moved into 2020/21.	(32)
	Total Rephase	(42)
	Total Net Expenditure Overspend/Underspend)	667
Additional Information		
	Impressions Fitness Equipment Following tender analysis the preferred supplier for Lot A (the majority of the cost) would require additional capital expenditure but would have a saving on maintenance over 5 years of more than the additional capital spend. This additional could be up to £80,000.	

5.3 The net spend on the Council's Capital Programme is financed via borrowing which has a revenue implication through the Minimum Revenue Provision (MRP).

5.4 Appendix D, Annexes C and D provide the following information:

Annex C provides details by scheme with proposed rephasing, expenditure to date and forecast outturn.

Annex D details the financing of the Capital Programme showing the funding from grants and contributions, capital receipts, use of earmarked and capital reserves and internal borrowing.

6. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

6.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget, by 2023/24 it will have in part contributed in reducing this to £1.2m.

6.2 At the end of Quarter 1, the financial projections for the CIS are:

CIS Investments	Budget (£'000)	Outturn (£'000)	Variance (£'000)
Cash Investments			
CCLA Property Fund	(162)	(168)	(6)
Total Cash Investments	(162)	(168)	(6)
Property Investments			
Property Rental Income	(5,580)	(4,730)	850
MRP	1,997	678	(1,319)
Net Direct Property Income	(3,583)	(4,052)	(469)
Management Charge	144	144	0
Total Property Investments	(3,439)	(3,908)	(469)
TOTAL	(3,601)	(4,076)	(475)

6.3 Investments

Between July and the end of September 2019, 52 properties have been investigated as potential CIS investment opportunities. The purchase of Trilink 140 (Unit 4 Freeway Drive, Castleford), completed on 5th July, generates an annual gross income of £819k and net income of £500k p.a. Most of the quarter has been spent consolidating the three new properties and 14 new tenants into the portfolio and initiating active asset management over all CIS properties including rent reviews, investigating opportunities to re-gear leases and secure longer term or increased income and appointing managing agents to manage on site services. A number of in-district opportunities have been considered including a vacant industrial unit in Huntingdon (high effort and no diversity) and shops in St Neots and Huntingdon (pricing) but these have not been taken forward at this time. A summary of opportunities is included in **Appendix E**.

Returns from the CCLA property fund have remained at the 2016/17 level (circa 4.5%). Other investment vehicles such as bank deposits and money market funds interest rates increased when the Bank of England raised the base rate to 0.5% have now become stable.

To date the majority of the Council's investments have been funded from earmarked reserves or cash balances. Recent acquisition such as Fareham, Rowley Centre and Tri-Link have required loans from PWLB to fund their purchases; part of the purchase price and acquisition costs were met from earmarked reserves.

7. COMMENTS OF OVERVIEW & SCRUTINY PANELS

7.1 The Panel received the Integrated Performance Report 2019/20, Quarter 2 at its meeting on 5th November 2019.

- 7.2 Councillor Gulson asked why £285k was allocated from reserves for Transformation with no explanation in the report. The Chief Operating Officer confirmed the figure of £285k related to planned investment and Transformation works on projects around the Council.
- 7.3 The Panel commented that there were some Performance Indicators where no update had been received. Members were informed that this was because a team had recently lost a key member of staff. Members were assured these indicators were forecast to be Green.
- 7.4 A question was asked about why had there been a higher than expected number of avoidable contacts. In response it was explained that there had been slippage in the delivery of a project which would allow customers to log a street scene request and track it themselves. This in turn has resulted in a higher than forecast number of calls to log requests and more calls to track those requests. Once the project is complete it is hoped that avoidable contact will be reduced.
- 7.5 In response to a question about the status of the One Leisure St Ives Changing Rooms project, it was clarified that the project is currently pending approval. Other projects had to be completed before this one could proceed. As there had not been a project update since July, the Chief Operating Officer undertook to provide a further update on the project.
- 7.6 Concern was expressed that no update had been received on Key Action 22. After confirming it was not linked to the previous missing data, the Chief Operating Officer stated that he will obtain information to clarify the position on this Key Action.
- 7.7 Councillor Chapman raised questioned why project deadline dates are not constantly reviewed. It was explained that in the past the Project Governance Board established a fixed completion date for each project and monitored it at the end of the year. It is anticipated that moving forward the Council will constantly review project deadline dates.
- 7.8 A query was raised as to why £210k was drawn from reserves for Operations. It was explained that the funds were for projects and that it had always been the intention to draw it from reserves for this purpose. It was emphasised that this sum was not being used to support the budget of the service. The Finance Manager added that this would have been agreed when setting the 2019/20 budget. The Panel requested that the commentary on this could be made clearer.
- 7.9 A observation was made by Councillor Chapman that the Council appeared to expect that the standard of street cleansing be maintained despite reducing the number of litter bins.
- 7.10 In response to a query as to why the Alms Close Development is proceeding despite the cost, the Executive Councillor for Resources stated that the project has been reviewed and the decision has been taken to proceed because it will have a positive revenue impact and create employment opportunities.
- 7.11 In light of the capital budget for the One Leisure St Ives Outdoor Fitness Offering doubling from the original £250k estimate, the question was raised whether the

scheme should proceed. The Executive Councillor for Resources stated that it is disappointing that the estimate has doubled; however the outturn is projected to be greater than if the Council decided to refurbish the squash courts. It was confirmed that the project will be reassessed by Officers in December 2019.

8. RECOMMENDATIONS

- 8.1 The Cabinet is invited to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in **Appendix A** and detailed in **Appendices B and C**.
- 8.2 The Cabinet is also invited to consider and comment on financial performance at the end of September, as detailed in section 4 and in **Appendix D**, and the register of reviews of Commercial Investment Strategy propositions at **Appendix E**.

9. LIST OF APPENDICES INCLUDED

Appendix A – Performance Summary, Quarter 2, 2019/20

Appendix B – Corporate Plan Performance Report, Quarter 2, 2019/20

Appendix C – Project Performance, September 2019

Appendix D – Financial Performance Monitoring Suite (FPMS) including:

Annex A – Revenue Provisional Outturn and Service Commentary, September 2019

Annex B – Capital Programme Provisional Outturn, September 2019

Annex C – Capital Programme Funding 2019/20

Annex D – Financial Dashboard, September 2019

Appendix E – Register of reviews of CIS investment propositions, Quarter 2, 2019/20

CONTACT OFFICERS

Corporate Plan Performance Monitoring (Appendices A and B)

Daniel Buckridge, Business Intelligence & Performance Manager ☎ (01480) 388065

Project Performance (Appendix C)

John Taylor, Chief Operating Officer ☎ (01480) 388119

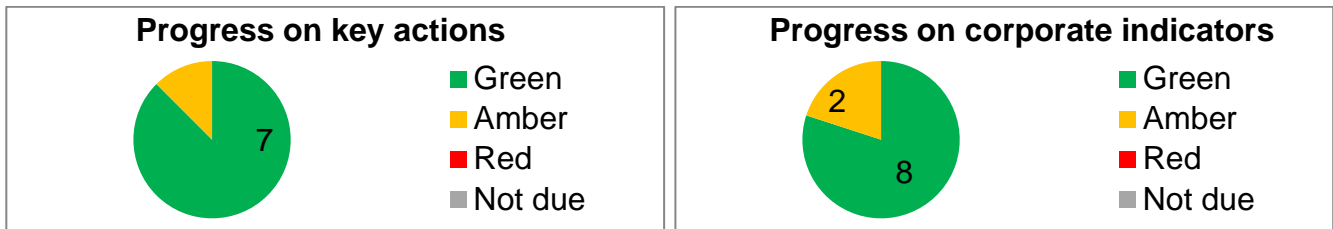
Financial Performance (Appendices D and E)

Claire Edwards, Finance Manager ☎ (01480) 388822

Performance Summary Quarter 2, 2019/20

People

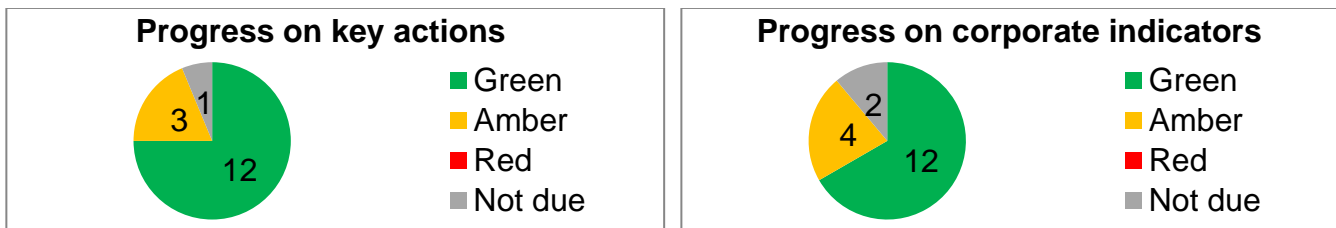
We want to make Huntingdonshire a better place to live, to improve health and well-being and for communities to get involved with local decision making



Highlights include the One Leisure Active Lifestyles team working with over 50 partners to deliver physical activity programmes that encourage residents to be more active, more often.

Place

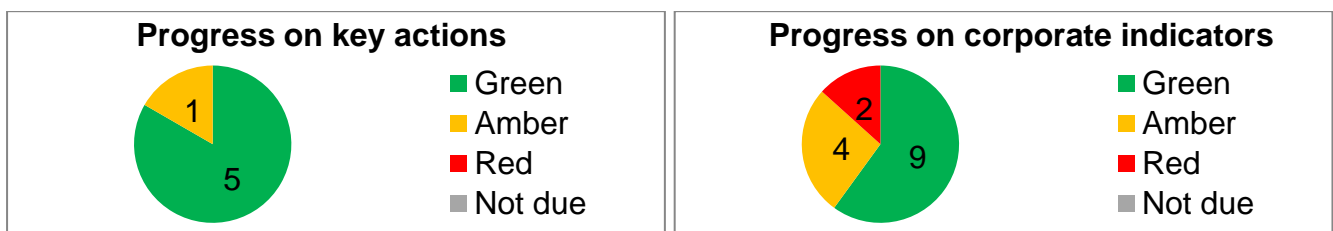
We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing



Highlights include a successful bid for a Future High Street Funding grant for St Neots.

Becoming a more efficient and effective council

We want to continue to deliver value for money services



Highlights include a continued fall in staff sickness, with the forecast outturn projected to be below the 9 days per FTE target for the first time since 2013/14.

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CORPORATE PLAN – PERFORMANCE REPORT

Appendix B

STRATEGIC THEME – PEOPLE

Period July to September 2019

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
7		1		0		0		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
8		2		0		0		0	

WE WANT TO: Support people to improve their health and well-being

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 1. Work in partnership to provide greater leisure and health opportunities to enable more people to be more active, more often	Ongoing	Cllr Palmer	Jayne Wisely	One Leisure Active Lifestyles have worked with 53 partners to help deliver physical activity programmes so far this year. Examples for Q2 include St Ivo secondary school engaging in 'Rabble' delivery to target inactive students with alternative PE lessons. Nelsons Lodge Care home has commissioned the

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					team to run a regular Right Start class, plus a number of Parish Councils had summer activities for young people.
G	KA 2. Provide financial assistance to people on low incomes to pay their rent and Council Tax	Ongoing	Cllr Gray	Customer Services – Amanda Burns	The team is liaising with colleagues across HDC and local Housing Associations to give additional help to people struggling to pay their rent.
G	KA 3. Ensure that the principles of earlier interventions aimed at preventing homelessness are embedded within public sector organisations and other stakeholder partners	Ongoing	Cllr Fuller	Customer Services – Jon Collen	Continuation of Homelessness Trailblazer programme with increased roll out of earlier interventions and pathways across a wide range of agencies. Substance misuse and mental health pathway being developed through task & finish group of partner agencies following summit earlier in year. Aim of establishing joint pathways and ways of working to better prevent homelessness amongst these client groups.
A	KA 4. Adopt a new Homelessness Strategy and a new Lettings Policy	Homelessness Strategy Dec 2019 Lettings Policy by March 2020	Cllr Fuller	Customer Services – Jon Collen	Homelessness review to be completed by end of Q3 with revised strategy to be adopted in Q4. Letting Policy review to take place across Home-Link partnership and completed by end of Q4.
G	KA 5. Identify and implement solutions to eradicate the need to place homeless families in B&Bs	Ongoing	Cllr Fuller	Customer Services – Jon Collen	Need for use of B&B to be eradicated by: increased homelessness prevention measures (KA 3) and increased provision of alternative forms of temporary accommodation. Two schemes in the pipeline to deliver additional self-contained short term units as alternatives to B&B: one is progressing well to be delivered in 2020/21 and the other is still dependant on a property acquisition.

WE WANT TO: Develop stronger and more resilient communities to enable people to help themselves

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 6. Support community planning including working with parishes to complete Neighbourhood and Parish Plans	Ongoing	Cllr Fuller	Andy Moffat	Huntingdon Neighbourhood Plan referendum has been completed; proceeding to Council in October for adoption. The updated Neighbourhood Planning Guide was adopted by Cabinet in September.
G	KA 7. Manage the Community Chest funding pot and voluntary sector funding to encourage and support projects to build and support community development	Ongoing/ Annual	Cllr Gray / Cllr Palmer	Community – Finlay Flett	2019/20 cycle of applications completed and awards allocated. Community Chest now closed until Spring 2020.
G	KA 8. Support and encourage community action on litter and waste	Ongoing	Cllr Palmer / Cllr Beuttell	Neil Sloper	40 Community Litter Pick supported by Operations.

Corporate Performance and Contextual Indicators

Key to status

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
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Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
PI 1. Number of days of volunteering to support HDC service delivery (cumulative year to date) Aim to maximise	4,698	2,042	2,000	2,588	G	4,001	4,001+	G
Comments: (Operations / Leisure and Health) Countryside - 1,897 volunteers this year. One Leisure Active Lifestyles - 691 volunteer days this year.								
PI 2. Average number of days to process new claims for Housing Benefit and Council Tax Support (cumulative year to date) Aim to minimise	23 days	22.25 days	24 days	22.78 days	G	24 days	24 days	G
Comments: (Customer Services) This Q2 figure shown is the year to date (YTD) performance to the end of September 2019. The roll out of Universal Credit is affecting the number of Housing Benefit claims received.								
PI 3. Average number of days to process changes of circumstances for Housing Benefit and Council Tax Support (cumulative year to	4 days	4.2 days	5 days	3.63 days	G	5 days	4 days	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
date)								
Aim to minimise								
Comments: (Customer Services) This Q2 figure shown is the YTD performance to the end of September 2019.								
PI 4. Number of homelessness preventions achieved (cumulative year to date)	405	153	210	272	G	420	450	G
Aim to maximise								
Comments: (Customer Services) Early interventions with emphasis on homelessness prevention resulted in 272 successful preventions from April to end of September by the Housing Needs Team. Working earlier and for longer with residents is helping to minimise the number of households reaching the point of homelessness crisis.								
PI 5. More people taking part in sport and physical activity: Number of individual One Card holders using One Leisure Facilities services over the last 12 months (rolling 12 months)	44,984	43,718	43,730	44,248	G	45,500	46,000+	G
Aim to maximise								
Comments: (Leisure and Health) The number of One Card users using the facilities has been affected by the closures of Ramsey and St Neots swimming pools in recent months for development work. Numbers are expected to increase again following the completion of this work.								
PI 6. More people taking part in sport and physical activity: Number of individual One Leisure Active Lifestyles service users over the last 12 months (rolling 12 months)	7,162 (inc. Park Run)	N/a – new measure	1,932	2,762	G	2,959	2,959	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Aim to maximise								
Comments: (Leisure and Health) Heavy in first part of the year as new people taking part regularly, summer has also taken place with a number of new participants in young people activities.								
PI 7. Providing more opportunities for people to be more active: Number of sessions delivered at and by One Leisure Facilities (cumulative year to date)	12,435	6,405	6,100	6,339	G	11,600	12,000	G
Aim to maximise								
Comments: (Leisure and Health) Target reduced due to rationalisation of fitness classes (breakeven process). Ahead of target in both fitness classes and other (adult and junior) activity sessions.								
PI 8. Providing more opportunities for people to be more active: Number of sessions delivered by One Leisure Active Lifestyles (cumulative year to date)	3,818	N/a – new measure	1,870	1,725	A	3,730	3,730	G
Aim to maximise								
Comments: (Leisure and Health) Currently doesn't include exercise referral inputs due to issues with monitoring.								
PI 9. People participating more often: Number of One Leisure Facilities admissions – swimming, Impressions, fitness classes, sports hall, pitches, bowling and Burgess Hall (excluding school admissions) (cumulative year	1,412,670	690,147	752,000	749,135	A	1,516,380	1,500,000	A

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
to date) Aim to maximise								
Comments: (Leisure and Health) Swimming and Fitness related admissions are up on last year and target and the Burgess Hall has recovered back to target (ahead of last year). Indoor Sports and Activities are declining however and a plan of action to tackle this in the winter months that are more productive is being developed.								
PI 10. People participating more often: One Leisure Active Lifestyles throughput (cumulative year to date) Aim to maximise	57,683 (inc. Park Run)	N/a – new measure	24,350	29,097	G	50,716	50,716	G
Comments: (Leisure and Health): Group exercise classes performing well and above targets, as is children and young people's activities.								

STRATEGIC THEME – PLACE

Period July to September 2019

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
12		3		0		1		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
12		4		0		2		0	

WE WANT TO: Create, protect and enhance our safe and clean built and green environment

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 9. Maintain our existing green open spaces to high standards, ensuring community involvement and encouraging greater active use, and maintain Green Flag statuses	Ongoing	Cllr Palmer	Neil Sloper	3 Green Flags awarded in July 19/20. Re-submitting Priors Park in December 2019. Two Mystery Shops to be completed as well.
G	KA 10. Reduce incidences of littering through targeting of enforcement work	Ongoing	Cllr Beuttell	Community – Finlay Flett	Community Enforcement team continue to take action against littering and flyposting, including issue of FPNs (Fixed Penalty Notices). One serious case prosecuted

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					through courts resulting in fines and costs of £10k for offender.
G	KA 11. Review air pollution activities to reflect new national Clean Air Strategy	Ongoing	Cllr Beuttell	Community – Finlay Flett	Revisions to national strategy not yet released.

WE WANT TO: Accelerate business growth and investment

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 12. Build upon and use sector analysis and industrial clusters research to help inform priorities across Services	Ongoing	Cllr Fuller	Andy Moffat	Cluster development work shared with Edge partners and colleges.
G	KA 13. Implement measures to grow Business Rates	Ongoing	Cllr Fuller	Andy Moffat	New Economic Development Analyst and Economic Development Officer start with the team in October; Ongoing meetings with Cambridgeshire and Peterborough Combined Authority (CPCA) about Local Industrial Strategy implementation.
G	KA 14. Engage and communicate with local businesses through the Better Business For All initiative	Ongoing	Cllr Beuttell / Cllr Fuller	John Taylor	Better Business launch 05/06/19 Steering group meeting 19/07/19.
A	KA 15. Prepare options reports for the redevelopment of the Bus Station Quarters in St Ives and Huntingdon	September St Ives, December Huntingdon	Cllr Fuller	Andy Moffat	Report from initial consultants for St Ives received. External Development Advisory Team to take this forward and develop options for St Ives being established. Landowners in Huntingdon being engaged and options explored.
G	KA 16. Deliver the actions resulting from the Council's Off Street Car Parking Strategy	Ongoing	Cllr Beuttell	Neil Sloper	35 of 70 pay and display machines currently installed.

WE WANT TO: Support development of infrastructure to enable growth

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 17. Continue to work with partners and influence the Combined Authority (CA) and secure support and resources to facilitate delivery of new housing, drive economic growth and provide any critical infrastructure	Ongoing	Cllr Fuller	Andy Moffat	HDC actively involved in steering the A141/ St. Ives Study; officers also actively involved with 3rd river crossing procurement. Summary of asks of Combined Authority and priority areas for future prepared; Clara Kerr to join Nigel McCurdy in regular meetings with Rowland Potter of CPCA re transport and HDC formal consultation response on Local Transport Plan consultation submitted at the end of September.
G	KA 18. Prepare 'Prospectuses for Growth' for St Ives, Huntingdon and Ramsey and continue to support the delivery of the St Neots Masterplan	December 2019 for Prospectuses for Growth; ongoing for delivery of St Neots plan	Cllr Fuller	Andy Moffat	Prospectuses for St Ives, Huntingdon and Ramsey still on course to be prepared by December. Work in St Neots now focussing on Future High Street Funding bid as grant received from Government to develop Business Case with deadline for submission of the final Business Case being end of June 2020.
G	KA 19. Continue to provide active input into the delivery stage of the A14 and the design stage of the A428, and lobby for a northern route for East-West Rail (EWR) and the local road network to deliver the specific requirements of the Council	Ongoing	Cllr Fuller	Andy Moffat	Officers actively working with Cambridgeshire County Council (CCC) and Highways England (HE) in relation to A14 legacy; A428 meetings to commence in October. No further updates on EWR.
A	KA 20. Set out timetable for preparation of an updated Section 106 Supplementary Planning Document and Community Infrastructure Levy charging	June 2020	Cllr Fuller	Andy Moffat	The two documents have to be done side by side but have very different issues and legislation that needs to be followed. At this time the Senior Implementation Officer post is vacant, as is the Grade F post in planning policy, resulting in challenges. However, the

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
	schedule and implement				Team Leader has had a number of meetings with stakeholders which in itself raised a number of key challenges and more work is required with CCC.
A	KA 21. Deliver capital/community projects to provide more leisure and health facilities in the district	Ongoing	Cllr Palmer	Jayne Wisely	Ramsey 3G and St Ives Outdoor Fitness Facility are behind schedule but expected to be complete in year. St Ives Changing Rooms on track and Impressions Equipment change and access control ahead of schedule and on budget.

WE WANT TO: Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
?	KA 22. Adopt and implement Housing Strategy annual Action Plan	October 2019	Cllr Fuller	Andy Moffat	No update provided by report deadline.
G	KA 23. Maintain a five year housing land supply (5YHLS) and ensure that the Housing Delivery Test in the National Planning Policy Framework is met	Ongoing	Cllr Fuller	Andy Moffat	Annual Monitoring Report demonstrates that we have a 5YHLS and there have been no challenges to this position. Housing Delivery Test Action Plan as required by new national requirements was endorsed at July Cabinet.
G	KA 24. Facilitate delivery of new housing and appropriate infrastructure	Ongoing	Cllr Fuller	Andy Moffat	PP granted for Loves Farm on the 6th September; Continued working with Urban & Civic (U&C) re expanded Key Phase 1, Grange Farm and Parcel 4, bringing Campbell Buchanan George on board; Cabinet decisions made in July re Community Infrastructure Levy (CIL) spend which include a number of infrastructure projects.

Corporate Performance and Contextual Indicators

Key to status

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
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Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
PI 11. Percentage of sampled areas which are clean or predominantly clean of litter, detritus, graffiti, flyposting, or weed accumulations (cumulative year to date) Aim to maximise	80.59%	75.16%	80%	96.20%	G	80%	80%	G
Comments: (Operations) Some improvement in % in specification due to highway weed control being taken back in house by Cambridgeshire County Council.								
PI 12. Percentage of street cleansing service requests resolved in five working days (cumulative year to date) Aim to maximise	97.66%	98.58%	85%	98.90%	G	85%	85%	G
Comments: (Operations) Performance is on track to significantly exceed the outturn target.								
PI 13. Number of missed bins per 1,000 households (cumulative year to date) Aim to minimise	0.73	0.72	0.75	0.84	A	0.75	0.75	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Comments: (Operations) Work being undertaken on a weekly basis with individual crews to improve performance stats for missed bins.								
PI 14. Percentage of grounds maintenance works inspected which pass the Council's agreed service specification (cumulative year to date)	85.5%	78.1%	82%	95.8%	G	82%	82%	G
Aim to maximise								
Comments: (Operations) Generally we have not been doing much grass cutting as our hedges have grown quite erratically and need attention, however it is hoped we will at least get round once more before the season ends. Increase in green waste is due to the resulting work priority change.								
PI 15. Percentage of grounds maintenance service requests resolved in five working days (cumulative year to date)	93.5%	96.2%	85%	87.4%	G	85%	85%	G
Aim to maximise								
Comments: (Operations) Performance is on track to significantly exceed the outturn target.								
PI 16. Percentage of successful environmental crime enforcements (cumulative year to date)	100%	100%	100%	100.0%	G	100%	1%	G
Aim to maximise								
Comments: (Community) Performance based on issue and collection of Fixed Penalty Notices.								
PI 17. Percentage of household waste recycled/reused/composted (cumulative year to date)	58.39%	63.05%	58%	62.14%	G	58%	58.00%	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Aim to maximise								
Comments: (Operations) September tonnage unavailable due to delay in these being provided by Cambridgeshire County Council (quarterly figure uses actual percentages for July (63.1%) and August (62.77%) but uses previous years figures for September (60.55%).								
PI 18. Percentage of food premises scoring 3 or above on the Food Hygiene Rating Scheme (latest result)	97%	97%	95%	0%	?	95%	0%	?
Aim to maximise								
Comments: (Community) No update provided by report deadline.								
PI 19. Number of complaints about food premises (cumulative year to date)	517	0	0	0	?	750	0	?
Aim to minimise								
Comments: (Community) No update provided by report deadline.								
PI 20. Net growth in number of commercial properties liable for Business Rates (cumulative year to date)	N/a – new measure	N/a – new measure	40	79	G	70	80	G
Aim to maximise								
Comments: (Development) Targets have been set in line with trends over the last nine years. Although the growth reported to the end of Q2 is already above the long-term average for an entire year, it must be noted that numbers do drop and with an uncertain economic environment this is a real possibility for this new indicator. Information is obtained from the rating list compiled by the Valuation Office Agency (end of March 2019 = 5,302 / end of September 2019 = 5,381).								
PI 21. The percentage of Community Infrastructure Levy (CIL) collected when due (cumulative year to date)	N/a – new measure	N/a – new measure	No target set	31%	G	No target set	No set target	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Comments: (Development) Current staff shortages and previous financial year backlog have resulted in dip in performance. Currently recruiting to fill vacancies.								
PI 25. Number of new affordable homes delivered in 2019/2020 (cumulative year to date)	269	108	183	180	A	360	394	G
Aim to maximise								
Comments: (Development) There has been an increase in expected number of completions this year and we now anticipate in the region of 394. An additional project in Godmanchester has been added which is proceeding ahead of programme. In this quarter, affordable homes were completed in Brampton, Godmanchester, Huntingdon, Ramsey, Sawtry, Fenstanton, Offord Cluny and Warboys. There is the prospect that the final number completed may exceed latest expectation since a number of developments are estimating completions very close to year end so some may occur before end of March.								
PI 26. Net growth in number of homes with a Council Tax banding (cumulative year to date)	N/a – new measure	N/a – new measure	No target set	564	G	No target set. Defer to AMR	1,496 (AMR completions)	G
Aim to maximise								
Comments: (Development) Information on the number of banded properties is obtained from the Valuation Office Agency (end of March 2019 = 77,315 / end of September 2019 = 77,879). The Annual Monitoring Report (AMR) reported in December 2019 will be for the period April 2018 - March 2019. The AMR figure relates to a net additional dwellings measure which is only reported annually and nine months in arrears so the performance of this PI should only be treated as an early indicator of local housing growth rather than a final position. The AMR 2018 suggests 1,496 dwellings to be constructed up to March 2020. Data collection for the AMR 2019 is underway, with the number of completions up to March 2019 complete and due to be reported in December 2019.								
PI 27. Total number of appeals allowed as a percentage of total number of planning applications refused (cumulative year to date)	N/a – new measure	N/a – new measure	TBC	0%	G	TBC	Less than 5%	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Aim to minimise								
Comments: (Development) Ministry of Housing, Communities & Local Government (MHCLG) measure: the quality of decisions made by local planning authorities measured by the proportion of decisions on applications that are subsequently overturned at appeal. In Q2, there were 30 refusals, with 0 allowed on appeal.								
PI 28. Number of costs awards against the Council where the application was refused at Development Management Committee contrary to the officer recommendation (cumulative year to date)	N/a – new measure	N/a – new measure	None	0	G	0	N/a	
Aim to minimise								
Comments: (Development) It is not possible to predict the outturn as this is based on DMC Members' decisions. However, measures are in place to ensure Members are familiar with our policies including dedicated Member training sessions.								

STRATEGIC THEME – BECOMING A MORE EFFICIENT AND EFFECTIVE COUNCIL

Period July to September 2019

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
5		1		0		0		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
9		4		2		0		0	

WE WANT TO: Become more efficient and effective in the way we deliver services

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 25. Actively manage Council owned non-operational assets and, where possible, ensure such assets are generating a market return for the Council	Ongoing	Cllr Gray	Clive Mason	Three unit lettings completed in the quarter (at Phoenix Court and a single lease of two units at Levellers Lane), generating additional rental income of £4.4k p.a. At the half year, additional income of £28.23k p.a. has been secured in new leases. Two lease renewals were completed in the quarter generating additional income of £20.8k p.a., bringing lease renewals up to .£24.4k.at the half year. The

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					total new income from all leases is therefore £52.67k p.a. Other "one off" income has been secured from release of restrictive covenants and granting of wayleaves etc totalling £69.36k to date this year.
A	KA 26. Develop the Council's Business Change function and create a culture of change management throughout the organisation	Ongoing	Cllr Tysoe	Assistant Director (Transformation)	Work has been undertaken to establish the priority areas for Business Change work based on the levels of financial savings likely to accrue or the level of transactions involved and so likely efficiencies in time. This still needs setting in the wider context of a culture of change across the organisation and in the Transformation programme.
G	KA 27. Develop the Council's approach to performance management and business intelligence	Ongoing	Cllr Gray	Assistant Director (Transformation)	New ways of working continue to be developed as we seek to take advantage of new technology available under the Council Anywhere project to reduce duplication and improve efficiency in monitoring and reporting on performance across services.
G	KA 28. Deliver the Council Anywhere project to introduce new digital technology and ways of working remotely to improve productivity and flexibility for staff	Mar-20	Cllr Tysoe	Sam Smith / Assistant Director (Transformation)	Devices are now rolling out across the Council with services such as Housing and Customer Services using their devices. We anticipate having rolled out all the devices by the end of 2019/20.

WE WANT TO: Become a more customer focussed organisation

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 29. Develop our Customer Portal to offer improved online and out of hours access to our services and work with partners to deliver better multi-agency customer services	Ongoing	Cllr Tysoe	Michelle Greet / Assistant Director (Transformation)	We are continuing to see more customer account signups and are now focusing replacing our old Customer Relationship Management (CRM) system with the Customer Portal. More features are being added by the supplier which could open up further use cases for back office departments.

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 30. Introduce a new electronic pre-application planning advice service	Ongoing	Cllr Fuller	Andy Moffat	We are aiming to have the new paid for pre-application service, with new charges, live in January 2020.

Corporate Performance and Contextual Indicators

Key to status

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
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Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
PI 29. Total amount of energy used in Council buildings (cumulative year to date) Aim to minimise	10,221,544 kWh (10.97% down on 2017/18)	4,123,182 kWh (14.2% down on 2017/18)	3,917,203 kWh (5% down on 2018/19)	4,428,617 kWh (7.5% up on 2018/19)	R	9,710,467 kWh (5% down on 2018/19)	3% down	A
Comments: (Operations) The energy performance for 2019/20 has not been weather corrected and regional information shows significantly higher heating demand in the first two quarters of 2019/20 than the previous financial year. As a result we have used more energy in our buildings. Work is currently being undertaken to provide full weather compensated figures for 2019/20 and an impact assessment of the closure of St Neots pool in 2018/19, to provide a more valid comparison.								
PI 30. Percentage of Business Rates collected in year (cumulative year to date) Aim to maximise	98%	61%	59%	59%	A	99%	99%	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Comments: (Customer Services) Performance remains on track to achieve the outturn target at the year end. The September target is based on typical performance at the end of Q2.								
PI 31. Percentage of Council Tax collected in year (cumulative year to date)	98.4%	58.5%	58.4%	58.4%	G	98.5%	99%	G
Aim to maximise								
Comments: (Customer Services) Performance is on track to achieve the outturn target.								
PI 32. Percentage of invoices from suppliers paid within 30 days (cumulative year to date)	92.1%	96.4%	98%	89.0%	A	98%	94%	A
Aim to maximise								
Comments: (Resources) The Prompts outturn for the Q2 has not met the Council's target of 98%. The Accounts Payable (AP) team are monitoring the reasons for the late payment of invoices by recording the reason for the delayed payment (including invoices returned to supplier, invoices with no valid purchase order and purchase orders not goods receipted). The resultant action to improve payment rates is to graphically represent AP processes as a flow chart, and present this to requisitioners (including where necessary training). This will ensure that the processes are well understood and make sure that they have all the necessary approvals in place so the invoice can be paid in a timely manner.								
PI 33. Staff sickness days lost per full time employee (FTE) (cumulative year to date)	9.2 days/FTE	5.1 days/FTE	4.0 days/FTE	2.3 days/FTE	G	9.0 days/FTE	7.3 days/FTE	G
Aim to minimise								
Comments: (Resources) There continues to be a significant fall in sickness reported by managers. Further details will be available in the Workforce Report which will be published on the agenda for the 20th November meeting of the Employment Committee.								
PI 34b. The percentage response rate to the Staff Survey (one off annual result)	63%	63%	64%	75%	G	64%	75%	G

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Comments: (Customer Services) The reduction in avoidable contacts has dropped off since the 14.6% fall we saw last year. However we will be introducing integrated Streetscene online portal forms in 2019, and we continue to expand the online customer portal which will help us drive further avoidable contact reductions in future.								
PI 39. Percentage of households with customer accounts generated (latest result)	1.8%	N/a – Portal not live yet	N/a	6.3%	G	8.0%	6%	G
Aim to maximise								
Comments: (Customer Services) We now have 4,860 customer accounts created on the OneVu portal and are well on the way to achieving our target.								
PI 40. Percentage of Stage 1 complaints resolved within time (cumulative year to date)	85%	79%	90%	90%	G	90%	90%	G
Aim to maximise								
Comments: (Corporate Team) 67 complaints were resolved in Q2, with only 3 responded to late (1 in Development and 2 in Operations). For the current year, 152 complaints have been resolved with 15 of them responded to late (2 in Development and 13 in Operations). There are currently 10 outstanding complaints that have not been resolved currently but are all currently on target. It has been noted that Leisure & Health's performance in Complaints has resulted in them achieving their sixth consecutive Quarter with a 100% responded on time record.								
PI 41. Percentage of Stage 2 complaints resolved within time (cumulative year to date)	81%	85%	90%	89%	A	90%	90%	G
Aim to maximise								
Comments: (Corporate Team) 6 Stage Two complaints were resolved in Q2 and all were on time (2 in Customer Services, 3 in Development and 1 in Resources). There is currently one outstanding Stage Two complaint for Development that has not been resolved but is still within target. For the current year, we have had 8 out of 9 Stage Two complaints responded to on time (Development responded late to one in Q1). It is seen as possible to recover from this and still meet our target at year end.								

Performance Indicator	Full Year 2018/19 Performance	Q2 2018/19 Performance	Q2 2019/20 Target	Q2 2019/20 Performance	Q2 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
PI 42. Net expenditure against approved budget (latest forecast) Aim to minimise variance	Overall -1.4% variance	Overall +3.2% variance	Overall <5% & Services within 10%	Overall within 2%, two Services >10%	A	Overall <5% & Services within 10%	As Q2 update (forecast is for 2019/20 spend)	A
Comments: (Resources) While the overall revenue forecast is within 2% of the budget, both Development (37% underspend) and Operations (11.5% overspend) have a variance greater than the target set (within 10%). In addition, Leisure and Health has a 15% variance but this is based on a forecast underachievement in net income of just £3k. Details of main reasons for variances can be found in the main report at 4.2.								
PI 43. Income generated from Commercial Estate Rental & Property Fund Income (cumulative year to date) Aim to maximise	£3.6m	£2.8m	£1.6m	£3.0m	G	£3.3m	£4.9m	G
Comments: (Resources) Income on stream from recent Commercial Investment Strategy property acquisitions and large amount of activity on asset management - rent reviews, lease renewals, lease re-gears which is growing income despite increased number of small vacant units.								

Appendix C: Project Performance – end of September 2019

Red = Project is significantly behind schedule, seriously over budget, serious risks/issues have been identified or there is a lack of governance documentation	Amber = Progress is behind schedule, over budget, some risks/issues have been identified or some documentation is missing. The project may be recoverable	Green = Progress is on track with no impact to delivery	Pending Closure = In close-down stage	Pending Approval = Business Case to be approved	Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board
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Important Note: Several projects will have new Project Sponsors in Q3, this report contains Sponsor information as at the end of Q2.

Projects relating to Huntingdonshire District Council services/facilities only:

Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update / Programme Office / PMGB comments	RAG Status	Latest Update Date
One Leisure St Ives Outdoor - Fitness Facility Programme: Capital 2018/19 Project Manager: Pete Corley (Leisure & Health) Project Sponsor: Jayne Wisely	31/01/18	Red	13/01/20	13/01/20	Contact made with new HDC Solicitor. Work on site delayed due to Management Agreement not being signed. Project board increased risk status to medium. Revised Heads of Terms issued by TS. Equipment RFQ meeting with TS. Project Board agreed increased budget status to medium for a potential overspend.	Amber	11/10/19
One Leisure Ramsey 3G Artificial Pitch Programme: Capital 2018/19 Project Manager: Martin Grey (Leisure & Health) Project Sponsor: Jayne Wisely	31/12/18	Red	31/12/19	31/12/19	The project is hinging on the lease getting signed. Browne jacobson are currently producing the lease for the site. Football Foundation has approved a capital grant offer of 61% of the total project cost of £761,295, subject to a maximum payment of £461,295. We must request the first payment within 6	Amber	06/09/19

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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update / Programme Office / PMGB comments	RAG Status	Latest Update Date
<p>Page 48 of 108</p>					months of the grant letter - 13th May. Ramsey Colts and Warboys Colts have both returned Service Level Agreements required as part of the funding agreement. A pre-meet will be scheduled to discuss build that cannot start until the lease is signed off. PMGB - Project is Amber due to delays with planning, lease still needing to be resolved and funding obtained from the Football Association.		
<p>Commercial Estates – Health and Safety</p> <p>Programme: Capital 2018/19 Project Manager: Jackie Golby (Resources) Project Sponsor: Clive Mason</p>	31/03/19	Red	31/03/20	31/03/20	Major planned work is done but minor items and payments to be attended to still. Current project expected to run through until 31/03/2020.	Amber	12/09/19 Updates every two months
<p>New Customer Portal</p> <p>Programme: Mosaic Project Manager: Tony Evans (Mosaic) Project Sponsor: John Taylor</p>	31/10/19	Amber	31/03/20	31/03/20	Programme is split into two projects for better tracking of benefits and visibility 1) Customer Portal Programme, will deliver limited end to end integrated digital processes and Business As Usual (BAU) methods for delivering further integrations. Remains AMBER due to budget shortfall,	Amber	03/10/19

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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update / Programme Office / PMGB comments	RAG Status	Latest Update Date
Page 9 of 100 Development of Land at Alms Close, Huntingdon Construct small business units and let on commercial terms as part of HDC's Commercial Investment Strategy. Programme: Resources Project Manager: Carl Egonu (Resources) Project Sponsor: Clive Mason	31/10/19	Red (Pre-Construction Costs increasing by £40k in addition to slippage)	22/05/20	22/05/20	Yotta Alloy Delays and Revenues & Benefits Integration Issues. 2) Dynamics Replacement will replace Dynamics with IEG4 suite. Remains AMBER due to budget shortfall, delayed start and resource issues. Senior Leadership Team approved scheme on the 20th August 2019 and again in September following a 2nd meeting. Clive Mason to gain approval from Stakeholder. Treasury Capital Management Group approved Development 30.09.2019, Project could not progress further until this was approved which delayed start date. Contractor to be requested to confirm tender still stands and on acceptance a notice will be put on PROCONTRACT.	Amber	01/10/19
Refit Energy efficiency project regarding major works across One Leisure sites. Programme: Capital 2016/17 (see 2015/16)	September 2017 - This was contingent on leases	Red	29/11/19	29/11/19	The Combined Heat and Power (CHP) plant for St Neots is now up and running. Staff at the centre are due to receive training on the Building energy management system, including CHP controls over the next few weeks. Some work to connect all the Air	Green	01/10/19

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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update / Programme Office / PMGB comments	RAG Status	Latest Update Date
<p>Project Manager: Julia Blackwell (Operations) Project Sponsor: Chris Jablonski / Neil Slapper</p>	being signed	Red			Conditioning (A/C) units to the Building Energy Management System has taken longer than anticipated due to a shortage of A/C engineers. Work will then be completed at St Ives Outdoor and Huntingdon dry.	Green	
<p>Little Paxton Community Centre To manage the delivery of the new Little Paxton Community Building. Programme: Community Project Manager: Claudia Deeth (Community) Project Sponsor: Finlay Flett</p>	01/10/17	Red	30/09/19	30/09/19	The final version of the long lease is awaiting approval by Leeds Day, following which it will be signed by all parties.	Green	02/09/19
<p>One Leisure Impressions Gym Equipment Refresh + Access Control Programme: Capital 2019/20 Project Manager: Daniel Gammons (Leisure & Health) Project Sponsor: Jayne Wisely</p>	24/12/19	Green	24/12/19	24/12/19	Contracts awarded and signed and Purchase Orders issued to Pulse Fitness and Primal Strength. Dates have been agreed for the install and all are as set out in the original timescales. Staff have been fully briefed including plans for the gym layout and there has been a very positive reaction. Customers are now starting to become aware to build the excitement around it.	Green	09/10/19

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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update / Programme Office / PMGB comments	RAG Status	Latest Update Date
Page 41 of 100 Council Tax Automated Forms Introduce automated forms into business systems. Programme: Facing the Future Project Manager: Ian Davies (Customer Services) Project Sponsor: John Taylor	31/03/17	Red Restructure and lack of resources to test caused delays.	31/03/19	31/03/19	The final bits to be finalised are the flooring, which needs to fit in to the timescales we have set and the covering of the floor boxes. this will be sorted before the end of the week to ensure lead times can be met. We are now at the stage where the Project Board agreed the project should continue as BAU. Revised Closedown Report received by PMGB and will be reviewed in the October 15th 2019 meeting.	Pending Closure	04/10/19
One Leisure St Ives Changing Rooms Programme: Capital 19-20 Joint Project Managers: Chris Keeble / Pete Corley / Karen Martin-Peters (Leisure & Health) Project Sponsor: Jayne Wisely	TBC	TBC	TBC	TBC	Awaiting approval. Identified on Leisure and Health's 2019-20 Service Plan. Chris Keeble, Pete Corley and Karen Martin-Peters to split role of Project Manager between them, Pete will be the lead on providing project updates.	Pending Approval	27/07/19
Litter Innovation Fund Introduce automated forms into business systems.	TBC	TBC	TBC	TBC	Project in process of being initialised after DEFRA funding received.	Pending Approval	27/09/19

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<p>Programme: Operations Project Manager: Kristie Wilson (Operations) Project Sponsor: Neil Sloper</p>							
<p>Leisure Invest to Save Opportunities Explore further opportunities for invest to save schemes including the conversion of synthetic pitch at St Neots. Programme: Facing the Future Project Manager: Jon Clarke (Leisure) Project Sponsor: Jayne Wisely</p>	30/09/15	<p>Red Historical delays due to legal issues with the lease.</p>	01/03/19	01/03/19	<p>PMGB – Closedown report reviewed and accepted. Project Closed with a few minor clarifications requested. This will be removed from this list after the end of Q2.</p>	Closed	26/07/19
<p>Levellers Lane Replace industrial roofs to address H & S and fulfil Council obligations. Programme: Capital 2016/17 Project Manager: Jackie Golby (Resources) Project Sponsor: Clive Mason</p>	24/03/17	<p>Red</p>	31/08/18	31/08/18	<p>PMGB – Closedown report reviewed and accepted. Project Closed with a few minor clarifications requested. This will be removed from this list after the end of Q2.</p>	Closed	26/07/19
<p>Phoenix Industrial Unit Roof Replace industrial roofs to address Health & Safety and fulfil Council obligations.</p>	28/02/17	<p>Red</p>	31/03/19	31/03/19	<p>PMGB – Closedown report reviewed and accepted. Project Closed with a few minor clarifications requested.</p>	Closed	26/07/19

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Programme: Capital 2015/16 Project Manager: Jackie Golby (Resources) Project Sponsor: Clive Mason					This will be removed from this list after the end of Q2.		
One Leisure St Neots Swimming Pool Facilities Programme: Capital 2017/18 Project Manager: Jon Clarke (Leisure) Project Sponsor: Jayne Wisely	09-Jul-18	Amber	16/07/18	16/07/18	PMGB – Closedown report reviewed and accepted. This will be removed from this list after the end of Q2.	Closed	30/08/19
Dementia Friendly Workplace Programme: Corporate Team Project Manager: Amanda Elphick (Customer Services) Project Sponsor: Adrian Dobbyne	28/12/18	Green	28/12/18	28/12/18	PMGB – Closedown report reviewed and accepted. This will be removed from this list after the end of Q2.	Closed	30/08/19

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3C ICT Projects where HDC are customers

Status updates, end dates and RAG statuses are lifted from 3C ICT's Bitrix site via the 3C ICT Project Managers' end of month full highlight report where available unless otherwise stated. Updates are obtained from the Full Highlight Report's "Project Progress" section of the report if available.

Page	Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office / PMGB comments	RAG Status	Latest Update Date
4 of 108	Consolidated Server Room Project To consolidate the three council's server rooms which will in turn improve flexibility and growth options, mitigate the current risks of out of support and aging hardware, leverage financial benefits and improve operation services. 3C ICT Project Number: P0035 Programme: 3C Shared Services Project Manager: Peter Holmes (3C ICT) Project Sponsor: Fiona Bryant (Cambridge City)	12/12/2017	Red	30/11/19	30/11/19	This project is reaching the closing stages and two servers remain to be migrated to the new data centre. Huntingdonshire have moved the last server (GIS database server) but there have been delays getting Virgin Media to resource the last key tasks. This work was scheduled for September but had to be rearranged due to issues on Virgin Media networks during the afternoon leading up to the work going ahead. If all remaining work goes to plan, then the project should be ready to be closed at the next project board in October. There may be some follow-on BAU tasks to tidy things up in existing server rooms but if there are then these will be detailed in the closure report.	Red	30/09/19

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<p>Council Anywhere 3C ICT Project Number: P0050 Programme: 3C Shared Services Project Manager: Paul Ashbridge (3C ICT) Project Sponsor: Oliver Morley (HDC)</p> <p style="font-size: small; transform: rotate(-90deg); position: absolute; left: -40px; top: 50%;">Page 55 of 108</p>	29/01/19	Red	31/03/20	31/03/20	<p>Board Meeting took place 25/09/2019, overview of items requiring board decisions:</p> <p>Training – 3C ICT to continue to support councils for next 2/3 months as transformation teams put plan in place to take training forward long term.</p> <p>Funding and Device Upgrades – Upgrade for full costs of devices from service budgets. Councils have agreed to share pool of desktops that are being reimaged and repurposed. 3C ICT to maintain database of how many repurposed devices have been distributed across the three Councils to maintain fairness and equality.</p> <p>Status set to Red as timescales are tight and dependent on external supplier.</p>	Red	30/09/19
<p>Operations Back Office System – Yotta (Streets/Grounds/Recycling and Waste Services)</p>	14/03/2019 (Phase1)	Red	31/03/20	31/03/20	<p>IEG4 have timetabled the return of the eforms outside of the allotted timescales. There is a risk to the project as</p>	Red	30/09/19

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Phase 1: Streets April 2019 Phase 2: Grounds Sept 2019 Phase 3: Waste Services May 2020 3C ICT Project Number: P0075 Programme: 3C Shared Services Project Manager: Tony Allen (3C ICT) Project Sponsor: Joel Carre (Cambridge City)		Red			integrated forms are critical for go-live, project has needed to change its timescales to accommodate and development has not started. Will continue to press for release dates, plan from IEG4. Any further delays risk implementation being delayed.	Red	
Payment Card Industry Data Security Standards (PCIDSS) This is phase 1 of the project where we will focus on becoming PCI DSS P2PE compliant at the 3 authorities by updating PED (Chip and Pin). 3C ICT Project Number: P0072 Programme: 3C Shared Services Project Manager: Caroline Huggon (3C ICT) Project Sponsor: Nigel Brown (3C ICT)	31/12/18	Red	31/11/19	31/11/19	Communication and ICT Security Policy has now been published, revised Process and Procedures documents have been distributed to staff.	Amber	30/09/19
Eastnet MLL Migration 3C ICT Project Number: P0025 Programme: 3C Shared Services Project Manager: Peter Holmes (3C ICT)	-	Red	31/03/20	31/03/20	Information has been gathered about all Cambridge City, HDC & SCDC sites. There have been issues with BT and CityFibre engineers attending sites unannounced. A design meeting for the	Amber	30/09/19

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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office / PMGB comments	RAG Status	Latest Update Date
Page 57 of 108					firewall was aborted due to the preparation work not being completed beforehand. The project cannot afford any further slippages like this. MLL have been provided with the information requested to enable MLL and external suppliers to make necessary progress to take on the Wi-Fi access point management. Further testing and configuration are required before migrations can begin.		
Aruba ClearPass (Council Anywhere) 3C ICT Project Number: P0082 Programme: 3C Shared Services Project Manager: Tony Allen (3C ICT) Project Sponsor: Council Anywhere (3C ICT)	31/12/19	Green	31/12/19	31/12/19	Complete rollout to next batch of 8 sites Continue to liaise with Eastnet/MLL rollout project. Deploy to other sites when Eastnet/MLL goes live. Project timetable 100% dictated by Eastnet/MLL.	Green	30/09/19
Environmental Health System Procurement Project has been broken down into two phases. Selection and Implementation. The Selection project is for the three Councils to choose a single supplier to replace current	31/03/20	Green	31/03/20	31/03/20	Teams have primarily scored the tenders. Site visits completed. Decision taken to carry out due diligence exercise and further clarifications issued to suppliers.	Green	27/09/19

<p>Red = Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation</p>	<p>Amber = Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable</p>	<p>Green = Progress is on track with no impact to delivery</p>	<p>Pending Closure = In close-down stage</p>	<p>Pending Approval = Business Case to be approved</p>	<p>Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board.</p>
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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office / PMGB comments	RAG Status	Latest Update Date
<p>environmental health systems with a single system.</p> <p>3C ICT Project Number: P0077 Programme: 3C Shared Services Project Manager: Tony Allen (3C ICT) Project Sponsor: Trevor Nicoll (SCDC)</p>							
<p>Windows Server 2008 Migration There are a number of servers running Windows Server 2008 across the 3 councils. Windows Server 2008 currently due to fall out of support in January 2020. Services and applications hosted on these platforms will need to be migrated to a new platform and tested.</p> <p>3C ICT Project Number: P0084 Programme: 3C Shared Services Project Manager: Peter Holmes (3C ICT) Project Sponsor: Alex Young (3C ICT)</p>	-	-	28/02/20	28/02/20	<p>The board has decided to extend support for Windows 2008 and accept the ~£20k costs for this.</p> <p>There are a few servers that need urgent attention such as HDC Revenues & Benefits servers which are being upgraded by Northgate in October. There are approximately £55k of vendor costs in the budget for upgrading servers across the three councils.</p> <p>There is currently a considerable absence of documentation and knowledge within application support teams to cover servers and services</p>	Green	30/09/19

<p>Red = Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation</p>	<p>Amber = Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable</p>	<p>Green = Progress is on track with no impact to delivery</p>	<p>Pending Closure = In close-down stage</p>	<p>Pending Approval = Business Case to be approved</p>	<p>Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board.</p>
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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office / PMGB comments	RAG Status	Latest Update Date
					affected. This may present a learning opportunity for servers with more recent operating systems if documentation is not kept for these either.		
Global Protect 3C ICT Project Number: P0006 Programme: 3C Shared Services Project Manager: Paul Ashbridge (3C ICT) Project Sponsor: Emma Alterton (3C ICT)	31/10/18	Red	31/03/19	13/05/19	Closedown Report accepted and Project closed. Programme Office: This will be removed from this list after the end of Q2.	Closed	12/08/19
Public Services Network (PSN) Compliance Certificates This project has been initiated to manage the processes and successful applications (PSN) Compliance Certificates for HDC and SCDC and the annual renewal of CCC's certificate for 2018, which will ensure all three Councils, are PSN compliant. 3C ICT Project Number: P0030 Programme: 3C Shared Services Project Manager: Caroline Huggon (3C ICT) Project Sponsor: Ian Hackett (3C ICT)	02/11/18	Red	30/06/19	30/06/19	Project closed down and in the process of being reported to 3C Shared Services Programme Office: This will be removed from this list after the end of Q2.	Closed	10/10/19

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<p>Red = Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation</p>	<p>Amber = Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable</p>	<p>Green = Progress is on track with no impact to delivery</p>	<p>Pending Closure = In close-down stage</p>	<p>Pending Approval = Business Case to be approved</p>	<p>Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board.</p>
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Shared Service Projects where HDC are customers

Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office / PMGB comments	RAG Status	Latest Update Date
<p>CCTV Control Room, Camera and Network Upgrade Programme: Community Project Manager: Eddy Gardner (Community) Project Sponsor: Chris Stopford (Community)</p>	03/05/19	Red	30/10/19	30/10/19	<p>3CICT meeting agreed to ensure broadband within two weeks. Yaxley on BT ethernet new system (cameras yet to change out). Ramsey has five new cameras on new system live. St Neots radio network is going up W/C 30/9/19 for cameras after that. St Ives radio network partially installed (few power connection issues to resolve). PMGB – PM advises that End Date is likely to be Mid-November, currently awaiting Project Meeting to approve Revised/Expected End Date change.</p>	Amber	01/10/19
<p>Implementation of Financial Management System To introduce a new Financial Management System across the council. Programme: 3C Shared Services Project Sponsor: Clive Mason (Resources)</p>	TBC	TBC	For HDC: 31/08/18	31/08/18	<p>PMGB - A draft report has been received and will be discussed between the chair of PMGB and the Project Sponsor.</p>	Pending Closure	22/08/19

Financial Performance Monitoring Suite September (Quarter 2) 2019

Executive summary

This report sets out the financial forecast for September, based on information at the end of September, for revenue and capital. The headlines are:

Revenue - the forecast outturn is an estimated underspend of £0.328m when compared to the approved budget, which is £0.110m lower than the Q1 forecast. At this stage in the year most service variations are small, however, Development, Operations and Resources are forecasting larger variances, mainly as a result of delays in staff recruitment, additional income being generated and delays in implementing new income generation schemes.

Capital Programme – the forecast outturn is an estimated net overspend of £0.6m.

MTFS – The MTFS was previously updated as part of the 2019/20 Budget setting process. At the end of the current MTFS period, 2023/24, the value of savings that still need to be identified stands at £1.2m. The budget setting process for the financial year 2020/21 and onwards has started and will seek to identify savings that can be implemented over the new MTFS period to achieve this remaining target.

Annex A – Service Commentary

The following table provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

Revenue Forecast Outturn	2018/19		2019/20							
	Outturn	Budget	Forecast Outturn (Gross)	Use of Reserves to Fund Exp	Contribution to Reserves	Net Service Forecast	Net Variation			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%		
Revenue by Service:										
Community	1,598	1,743	1,732	0	0	1,732	●	(11)	●	-0.6
Customer Services	2,419	2,678	2,605	0	107	2,712	●	34	●	1.3
ICT Shared Service	1,983	2,145	2,128	(50)	0	2,078	●	(67)	●	-3.1
Development	333	1,010	686	(51)	2	637	●	(373)	●	-36.9
Leisure & Health	279	(20)	(42)	0	25	(17)	●	3	●	15.0
Operations	4,522	3,744	4,385	(210)	0	4,175	●	431	●	11.5
Resources	4,361	4,231	3,955	(158)	45	3,842	●	(389)	●	-9.2
Directors and Corporate	1,549	1,626	1,610	0	60	1,670	●	44	●	2.7
Transformation	270	0	285	(285)	0	0		0		
Net Revenue Expenditure	17,314	17,157	17,344	(754)	239	16,829	●	(328)	●	-1.9
Contributions to/(from) Earmarked Reserves	(280)	0	(515)					(515)		0.0
Service Contribution to Reserves	3,257	3,285	3,613					328		10.0
Budget Requirement (Services)	20,291	20,442	20,442							
Financing:-										
Taxation & Government Grants	(11,841)	(11,664)	(11,664)					0		0.0
Contribution to/(from) Reserves	0	0	0					0		
Council Tax for Huntingdonshire DC	(8,450)	(8,778)	(8,778)							

Note:

Red – over spend by 2% or more & overspend exceeds £40,000

Amber – underspend by more than 4% & underspend exceeds -£40,000

Green – overspend up to 2% and underspend up to 4% & overspend up to £40,000 and underspend up to -£40,000

2019/20 September Service Forecasts (Based on Actuals to 30/09/2019)

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
Head of Community											
86,450	Head of Community	86,494	86,383	(111)	-0.10			86,383	(111)	-0.10	
319,600	Environmental Protection Team	314,123	318,233	4,110	+1.30			318,233	4,110	+1.30	
257,637	Business Team	266,776	319,606	52,830	+19.80			319,606	52,830	+19.80	Additional expenditure related to costs of Hamerton Zoo inquiry.
541,269	Community Team	584,272	543,405	(40,867)	-7.00			543,405	(40,867)	-7.00	Some additional income in-year from fees and changes, combined within some savings due to recruitment vacancies at the start of the year. Recruitment to vacant posts has been completed and appointments have been made.
112,542	Environmental Health Admin	146,997	105,878	(41,119)	-28.00	0	0	105,878	(41,119)	-28.00	As per previous comment, reduced expenditure due to vacancies. Appointments made to all but one of vacant posts
2,000	Closed Churchyards	(13,000)	2,000	15,000	-115.40			2,000	15,000	-115.40	Unable to deliver the expected income for local levy due, recovery plan in place to get this delivered in time for 2020 annual billing exercise.
(144,447)	Licencing	(115,622)	(138,764)	(23,142)	+20.00			(138,764)	(23,142)	+20.00	Additional income from licencing activities, offset by increased in supplies and services, and salary costs
(89,630)	CCTV	(89,496)	(93,621)	(4,125)	+4.60			(93,621)	(4,125)	+4.60	
253,120	CCTV Shared Service	197,577	251,934	54,357	+27.50			251,934	54,357	+27.50	Delayed termination of analogue CCTV network with BT due to additional design work being required, and changes in the corporate communication network with VMB. Analogue lines have now been terminated with BT but savings this year are less than budgeted. Will be as modelled for 2020/21 and beyond.
76,921	Corporate Health & Safety	105,509	75,287	(30,222)	-28.60			75,287	(30,222)	-28.60	Savings due to recruitment vacancies at the start of the year.
12,309	Emergency Planning	11,575	12,310	735	+6.30			12,310	735	+6.30	
262,645	Document Centre	247,662	249,112	1,450	+0.60			249,112	1,450	+0.60	
1,690,416		1,742,867	1,731,763	(11,104)	-0.60	0	0	1,731,763	(11,104)	-0.60	

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
Head of Customer Services											
107,673	Head of Customer Services	107,673	450	(107,223)	-99.60		107,223	107,673	0	+0.00	
	Housing Needs	1,066,215	1,011,392	(54,823)	-5.10			1,011,392	(54,823)	-5.10	£20k reduction in contribution to county-wide Homelessness Trailblazer programme for 2019/20 covered by carry forward of central government grant from 18/19 £20k in year saving due to delay in commissioning strategy with the County Council relating to housing related support services .
1,015,878											
799,341	Customer Services	803,951	801,659	(2,292)	-0.30			801,659	(2,292)	-0.30	
	Council Tax Support	(122,896)	(132,049)	(9,153)	+7.40			(132,049)	(9,153)	+7.40	Forecast adjusted by (£10k) to reflect adjustments to Council Tax Benefit claims (pre-2013)
(122,049)											
(224,178)	Local Tax Collection	(227,770)	(223,626)	4,144	-1.80			(223,626)	4,144	-1.80	
1,154,172	Housing Benefits	1,050,444	1,147,366	96,922	+9.20			1,147,366	96,922	+9.20	There is a £95k increase in the net cost of rent allowances due to payments not attracting 100% subsidy differing from the budget assumptions e.g. placements in short term licensed accommodation where subsidy is capped. There is also a £25k additional spend relating to Homeless accommodation. The forecast variance equates to approximately 0.5% of budgeted gross expenditure (£24m)
2,730,837		2,677,617	2,605,192	(72,425)	-2.70	0	107,223	2,712,415	34,798	+1.30	
3C's ICT											
2,145,425	ICT Shared Service	2,145,425	2,128,370	(17,055)	-0.80	(50,000)		2,078,370	(67,055)	-3.10	Forecast based on actuals and predicted costs for 3C ICT for the year. Analysis of the anticipated spend for HDC specific cost centres in 19/20 against actuals from previous years has been completed and work is now in progress to target specific areas of expenditure.
2,145,425		2,145,425	2,128,370	(17,055)	-0.80	(50,000)	0	2,078,370	(67,055)	-3.10	

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
Head of Development											
85,326	Head of Development	86,788	85,278	(1,510)	-1.70			85,278	(1,510)	-1.70	
152,540	Building Control	152,540	152,540	0	+0.00			152,540	0	+0.00	
122,224	Economic Development	181,240	166,602	(14,638)	-8.10	(51,000)		115,602	(65,638)	-36.20	(£67K) staff cost saving due to time taken to recruit to 2 new posts.
655,414	Planning Policy	675,481	601,838	(73,643)	-10.90			601,838	(73,643)	-10.90	(£72K) vacancies being recruited to. (£44K) additional CIL admin income. (£85K) additional funding secured to fund posts). £78K additional expenditure on Local Plan. £6K of smaller variances.
(406,363)	Development Management	(319,782)	(493,971)	(174,189)	+54.50			(493,971)	(174,189)	+54.50	(£44K) vacancies being recruited to. (£39K) additional fee income. (£45k) underspend on planning application processing.
147,945	Housing Strategy	182,709	127,292	(55,417)	-30.30		1,620	128,912	(53,797)	-29.40	(£22K) due to vacant posts in the Housing Strategy team. (£15K) Electricity costs down MHP - faulty meter 2018/19. (£11K) Mandatory Grants income to be received - KT to investigate before next month's monitoring. (£5K smaller variances).
25,572	Public Transport	26,100	21,021	(5,079)	-19.50			21,021	(5,079)	-19.50	
25,000	Transportation Strategy	25,000	25,000	0	+0.00			25,000	0	+0.00	
807,658		1,010,076	685,600	(324,476)	-32.10	(51,000)	1,620	636,220	(373,856)	-37.00	
Head of Leisure & Health											
82,500	Head of Leisure & Health	83,463	82,453	(1,010)	-1.20			82,453	(1,010)	-1.20	
177,612	One Leisure Active Lifestyles	176,686	178,848	2,162	+1.20			178,848	2,162	+1.20	
101,996	One Leisure St Ives Outdoor Centre	79,221	79,183	(38)	+0.00		25,000	104,183	24,962	+31.50	As previously reported the Hospitality budget was overstated by £15K. The delay in delivering and opening the Training shed project is impacting upon the forecasted income , in the region of £8K
444,352	Leisure Centres Corporate	464,742	445,739	(19,003)	-4.10			445,739	(19,003)	-4.10	A full review of salaries across the back office support functions of One Leisure Direct (Call Centre) and Marketing has identified where vacancies exist and are being covered by current resources from elsewhere. (£6K marketing assistant from Duty Manager and £9K call centre advisor from previous maternity cover). This is expected to continue whilst a review of staffing structures is ongoing with Transformation looking at all back office support functions once the review is complete.
121,732	One Leisure Management Team	121,299	121,684	385	+0.30			121,684	385	+0.30	

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
(309,806)	One Leisure St Neots	(276,475)	(315,434)	(38,959)	+14.10			(315,434)	(38,959)	+14.10	The forecast performance of OLSN is better by £39K than budget. This is due to improvements in Creche (£7K), Hospitality - contributed to by the refresh (£9K), Impressions (£11K), Swimming (£30K) due to the improved swimming changing rooms, and Centre Management (£9K). There are area's that have not performed as well and these include outdoor sports £12K and Fitness Activities (£15K). The 3G was completed at the end of the playing season and so a new set of hirers has had to be established
(146,384)	One Leisure Huntingdon	(169,441)	(143,022)	26,419	-15.60			(143,022)	26,419	-15.60	The significant area's of underperformance for the site are Indoor Sports (£15K) and Fitness Activities £38K). Due to the development of the fitness offering at the site Impressions is performing well and forecast to be £43K over budget. This forecast now include £9K Loan payment to HTC as part of the asset transfer that was not budgeted for
(524,759)	One Leisure St Ives	(555,269)	(542,232)	13,037	-2.30			(542,232)	13,037	-2.30	Similar to Huntingdon the area's that are not forecast to perform as well as Budget are Indoor Sports (£26K) and Fitness Activities (£48K), as well as Ten Pin Bowling (£9K). However the area's that are performing well and forecast above budget are Burgess Hall (31K) - which is carrying a salary saving, Hospitality £5K, Impressions (£4K) and Centre Management (£34K) which as significant part of this is savings on utilities
(30,000)	One Leisure Ramsey	(22,307)	1,717	24,024	-107.70			1,717	24,024	-107.70	
46,111	One Leisure Sawtry	78,062	48,592	(29,470)	-37.80			48,592	(29,470)	-37.80	A review of salaries following the transfer of Sawtry and vacant posts being held pending a full One leisure staffing review has identified an additional saving of £9K. However this is offset by a loss of £5K on income and fees based on transfers to the new provider for services paid for but to be delivered after the transfer.
(36,646)		(20,019)	(42,472)	(22,453)	+112.20	0	25,000	(17,472)	2,547	-12.70	

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
Head of Operations											
80,304	Head of Operations	81,762	81,371	(391)	-0.50			81,371	(391)	-0.50	
1,029,532	Green Spaces	1,024,402	1,255,027	230,625	+22.50	(179,109)		1,075,918	51,516	+5.00	£40k adverse impact of historic savings target which is not achievable. Additional sitework required on watercourses +£10k.
216,923	Environmental & Energy Management	215,689	260,186	44,497	+20.60			260,186	44,497	+20.60	+£40k inability to fully offset Energy Officer role costs against energy efficiency measures following completion of ReFit programme this year.
788,991	Street Cleaning	734,433	805,072	70,639	+9.60	(31,024)		774,048	39,615	+5.40	Unavoidable water standpipe cost +£25k, Part achievement of Efficiency from Litter bin reduction +£20k.
18,230	Public Conveniences	18,400	18,230	(170)	-0.90			18,230	(170)	-0.90	
2,396,964	Waste Management	2,386,322	2,441,305	54,983	+2.30			2,441,305	54,983	+2.30	+£30k Part achievement of income from developers for bin delivery (£20k of £50k estimate) due to lag in developments being completed. £20k pressure on waste disposal costs due increased trade waste sales and part achievement of first year income estimate for new £15 delivery charge for replacement bins (reduction in requests greater than anticipated).
880,213	Facilities Management	748,344	914,478	166,134	+22.20			914,478	166,134	+22.20	+£34k additional impact of agreed remedial works to maintain St Ives Bus Station, +£18k consultancy fees for a review of FM and creation of specs and documents, , +£90k Income expectation for 3rd floor Pathfinder non-achievable set by Estates, +£10k Budget Bid by Community to licence bus stations to bus companies will not occur.
258,952	Fleet Management	265,383	255,222	(10,161)	-3.80			255,222	(10,161)	-3.80	Lower than anticipated cost of repairs to fleet
(43,779)	Markets	(64,782)	(38,257)	26,525	-40.90			(38,257)	26,525	-40.90	'+£26k due difficult trading period at the start of the year. Long terms absence of Market Manager has resulted in additional costs to cover safe operation of markets.
(1,643,758)	Car Parks	(1,666,364)	(1,607,182)	59,182	-3.60			(1,607,182)	59,182	-3.60	+£20k impact on income predicted due to extended staggered project delivery of new machines and associated tariff changes in order to support customers better and +£40k difficult retail conditions being actively supported by 'Free After Three'.
3,982,572		3,743,589	4,385,452	641,863	+17.10	(210,133)	0	4,175,319	431,730	+11.50	

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
Head of Resources											
89,225	Head of Resources	88,731	55,034	(33,697)	-38.00			55,034	(33,697)	-38.00	-£34k salary savings due to Head of Resources vacant post
4,828,088	Corporate Finance	4,903,760	4,896,411	(7,349)	-0.10			4,896,411	(7,349)	-0.10	+ £84k: unachieved saving due to delay in service (corporate) restructuring. - £150k: reduced MRP due to delays in previous years capital programme. + £35k: drainage board (£30k) and apprentice (£5k) levy costs more than budgeted. +£14.5k consultancy fees for Treasury Advice +£10.4k contribution to Cambridge City + £31k: additional salary cost due to delay in Transformation change in respect of Payroll/HR processing. + £19k: Redundancy Costs + £99k: additional costs for interim staff due to implementation of Resources restructure. -£17k consultancy fees charged to Corporate Finance + £5k: cost of Exec Recruitment process for Finance Manager. + £53k: 2019/20 Fee for former FMS licence and information storage.
930,414	Finance (Incl Payroll)	744,974	900,232	155,258	+20.80		45,000	945,232	200,258	+26.90	
630,996	Audit & Risk Management	623,696	630,954	7,258	+1.20			630,954	7,258	+1.20	
210,459	Legal	223,940	204,445	(19,495)	-8.70			204,445	(19,495)	-8.70	Estimated 3C Legal costs to be recovered by HDC.
357,825	HR Services	412,824	384,140	(28,684)	-6.90	(300)		383,840	(28,984)	-7.00	Saving achieved due to delay in recruitment to the Strategic HR Manager post and current vacancy for HR Advisor.
46,183	Procurement	25,534	48,303	22,769	+89.20			48,303	22,769	+89.20	Underachieved saving from Procurement transformation.
(3,221,050)	Commercial Estates	(2,792,450)	(3,164,638)	(372,188)	+13.30	(158,000)		(3,322,638)	(530,188)	+19.00	-£614k - Net impact of CIS income from recent CIS acquisitions and consequential MRP savings. +84k: Reduced income from pre-CIS estate due to vacancies (void costs i.e. including NDR/lost rental) and the current programme of lease renewal/rent reviews.
3,872,140		4,231,009	3,954,881	(276,128)	-6.50	(158,300)	45,000	3,841,581	(389,428)	-9.20	

Previous Forecast (Net)	Service Area	2019/20 Budget	September (Q2) Gross	Gross Variance		Reserves		September (Q2) Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
Corporate Team											
798,869	Democratic & Elections	811,208	758,999	(52,209)	-6.40		59,540	818,539	7,331	+0.90	
500,359	Directors	495,715	500,546	4,831	+1.00			500,546	4,831	+1.00	
343,658	Corporate Team	319,032	350,546	31,514	+9.90			350,546	31,514	+9.90	Staffing changes have led to an increase in costs for this year (e.g. redundancy) with some income levels a little down on budget. Premises costs for manager events at £2k were not budgeted.
1,642,886		1,625,955	1,610,091	(15,864)	-1.00	0	59,540	1,669,631	43,676	+2.70	
Transformation											
16	Transformation	16	285,045	285,029	-	(285,029)		16	0	-	
16		16	285,045	285,029	-	(285,029)	0	16	0	-	
16,835,304	HDC Total	17,156,535	17,343,922	187,387	+1.10	(754,462)	238,383	16,827,843	(328,692)	-1.90	

Annex B – Capital Programme

The approved gross Capital Programme 2019/20 is £7.693m. Schemes totalling £2.134m from 2018/19 have been rephased to 2019/20, to give the total gross capital programme for 2019/20 of £9.827m.

The net expenditure (income) to date is £0.172m (50% of the year) and the Capital Programme is forecast to have a net overspend of £0.667m, this includes underspends, overspends rephasings and growth.

Variation Commentary Summary		£000s
Overspend		
	<p>Alms Close Development</p> <p>This project was tendered via the Procurement Portal, the tenders that have been received are in the region of £1.6m, with an additional £150,000 required for consultants fees, this amounts to a potential overspend on the budget of £728,000. There are council contingencies included of around £80,000 which may be utilised, but could amount to a saving on this sum if not required. If the contingencies were not required then the committed additional spend would be reduced to £648,000.</p> <p>The new Alms Close design has increased the useable floor space, and has built in additional floor space in the event tenants seek to construct mezzanine flooring. Additional mezzanine floor space would increase the overall floor space of each unit by 50% to 75% of the ground floor areas. The council could then obtain additional income through the lease in the event the tenant does add mezzanine flooring.</p> <p>The tenderer that has been advised by professional consultants, whilst not the lowest, it does though provide the council with minimal risk in relation to disputes regarding costs. When the lowest tender was reconciled several major works item that were missing, had to be added in, and to accept this tender would put the council at risk.</p> <p>The last steps prior to acceptance of the tender will be a costing exercise, whereby the council will have to undertake a costing exercise to calculate the investment return over the standard 20 year period. As things stand the project is ready to proceed subject to financial approval.</p>	728
	<p>Health and Safety Works, Roof Works</p> <p>Minor overspend expected on works to meet statutory requirements, and completion of roofing works (retention).</p>	9
	<p>Cash Receipting Software</p> <p>Work to complete touch-tone phone payments for customers to pay invoices.</p>	13
Total Overspend		750
Growth		
	<p>Insurance Settlement – Eastfield House Fire</p> <p>A settlement has been agreed with the Council's insurers to finance the replacement of IT equipment destroyed in the fire at Eastfield House, part of the equipment was replaced in 2018/19, the remainder will be replaced in 2019/20.</p>	0
	<p>Salix Building Efficiency</p> <p>Salix has indicated that the money paid back into the fund from previous projects and the rollover from last year's budget is £62,000. They are expecting the council to invest a minimum of 75% (£46,000) in this financial year. The extra expenditure is funded from savings made in revenue (utilities) budgets.</p>	14
	<p>Oak Tree Development</p> <p>Work on the planning for the Oak Tree Development has commenced this is funded from grant.</p>	0

	<p>Travellers Security Improvements</p> <p>Huntingdonshire generally has a relatively low number of illegal traveller incursions but has seen a significant increase in numbers recently, with 13 incursions in the past 3 months including 6 in public parks. It has been noticeable that security measures currently in place in parks are being breached more often than in the past. Considerable work has been done in recent years to streamline eviction processes. Despite this, incursions are causing inconvenience to residents and significant costs to the Council in relation to eviction and clearance.</p> <p>A review of the approach we take to dealing with incursions has been carried out and a number of changes to approach are proposed, as noted below. A multi-strand approach is recommended, including security measures, trial of evictions, disruption of illegal activities, communicating with communities, and working in partnership with communities, other local authorities and the Police.</p> <p>A report detailing the background to incursions, current challenges, options and a comprehensive cost schedule has been circulated to SLT and will be further circulated for approval at member level.</p>	50
	<p>Oaktree Centre Remedial Work</p> <p>The Council owns the Oak Tree Centre on the Oxmoor, with the property being principally let to the NHS.</p> <p>A few years ago it was established that there were significant 'build' issues that are affecting the structural integrity. The Council has already undertaken some 'urgent' remedial works but more significant works are required.</p> <p>The estimated cost of the remedial works included in the capital programme is £0.950m; but as previously reported to Treasury and Capital Management Group, the gross cost is expected to be around £2m. However, overall there is a net nil change to the capital and a marginal decrease, as consequence of lower MRP, cost to revenue (this is because the financing will utilise the Oak Tree Remedial Works Earmarked Reserve).</p>	50
	<p>One Leisure St Ives Outdoor Fitness Offering</p> <p>A report to Cabinet in June 2019 outlined the proposals for maximising the returns for the Outdoor Centre at St Ives by converting the squash courts to provide a new fitness offering on the site. Cabinet approved the new scheme subject to a full feasibility study being provided to the December 2019 meeting.</p> <p>The capital programme included a £250k estimate for this scheme however the option now proposed is likely to cost £500k. This cost is reduced by £50k from the application of CIL funding.</p>	200
	Total Growth	314
Underspend		
	<p>Re-Fit Projects</p> <p>The Project is scheduled to complete July 2019. Currently (prior to all variations being costed) £165889 is left to be paid. 2% of the total project costs must be kept as a retainer for 12 months following the completion of the project - approx £16,941.</p>	(58)
	<p>Disabled Facilities Grants</p> <p>Additional Better Care Fund grant has been received in excess of the approved budget (£95,000), SCDC has shared their excess grant with the council (£80,000), and contribution from tenants are forecast to be (£15,000). Additional expenditure based on commitments is forecast to be £10,000.</p>	(180)
	<p>Wheeled Bins</p> <p>Detailed planning for this years requirements for wheeled bins, taking into account new housing developments and bin stock it is expected that fewer bins will be required this year.</p>	(95)

	OL Ramsey 3G Pitch Additional grant received (£161,000) more than off-sets additional expenditure incurred £154,000.	(7)
	Parking Strategy Negotiations with the contractor over costs are producing a small saving of £15k on this project.	(15)
	Total Underspend	(355)
	Rephase	
	Robotics It is now expected that £10k of expenditure will be incurred in 2020/21.	(10)
	Income Management Software Work on this project has not yet begun and so some costs are likely to be moved into 2020/21.	(32)
	Total Rephase	(42)
	Total Net Expenditure Overspend/Underspend()	667
	Additional Information	
	Impressions Fitness Equipment Following tender analysis the preferred supplier for Lot A (the majority of the cost) would require additional capital expenditure but would have a saving on maintenance over 5 years of more than the additional capital spend. This additional could be up to £80,000.	

There is a risk that this level of forecast will not happen as there are schemes that are forecasted to overspend or underspend. This process is managed by the Finance and Procurement Governance Board, where final business cases will be examined.

The net spend on the Council's Capital Programme is financed via borrowing which has a revenue implication through the Minimum Revenue Provision (MRP).

The table below shows the capital programme by scheme with proposed rephasing, expenditure to date and forecast outturn. The financing of the capital programme showing the funding from grants and contributions, capital receipts, use of earmarked and capital reserves and internal borrowing.

Annex C – Capital Programme Summary Table 1

Division	Project	Budget Manager	Gross Expenditure						Grants, Contributions and Funding						Net Forecast Expenditure
			Approved Budget £	Rephase or Supplementary £	Revised Budget £	Expenditure £	Forecast £	Variance £	Approved Budget £	Rephase or Supplementary £	Updated Budget £	Income £	Forecast £	Variance £	Variance £
Community	Scanner	Chris Stopford	16,000		16,000		16,000								16,000
	Environmental Health Software	Chris Stopford	40,000		40,000		40,000								40,000
	CCTV Camera Replacements	Chris Stopford		78,000	78,000		78,000								78,000
	CCTV Pathfinder House Resilience	Chris Stopford		20,000	20,000		20,000								20,000
	CCTV Wi-Fi	Chris Stopford		250,000	250,000	4,332	250,000								250,000
	Lone Worker Software	Chris Stopford		20,000	20,000		20,000								20,000
	Traveller Security Improvements	Finlay Flett					50,000		50,000						50,000
Development	Disabled Facilities Grants	Keith Tayler	2,250,000		2,250,000	1,031,876	2,260,000	10,000	(1,150,000)		(1,150,000)	(1,346,576)	(1,340,000)	(190,000)	920,000
	A14 Upgrade	Andy Moffat	200,000		200,000		200,000								200,000
	Housing Company Set Up	Andy Moffat	206,000		206,000		206,000								206,000
Leisure and Health	One Leisure Improvements	Pete Corley	317,000	178,000	495,000	313,515	495,000								495,000
	One Leisure St Ives Outdoor New Fitness Offering	Pete Corley	125,000	108,000	233,000	4,796	483,500	250,500					(50,000)	(50,000)	433,500
	One Leisure Ramsey 3G	Martin Grey	266,000	334,000	600,000	5,280	754,067	154,067	(116,000)	(184,000)	(300,000)		(461,295)	(161,295)	292,772
	One Leisure St Ives Swimming Changing Rooms	Chris Keeble	250,000		250,000		250,000								250,000
	One Leisure Impressions Fitness Equipment	Daniel Gammons	531,000		531,000		531,000								531,000
	One Leisure St Neots Pool	Jon Clarke		14,000	14,000	1,115	14,000								14,000
	One leisure St Neots Synthetic Pitch	Jon Clarke				267,628									
Resources	Income Management Software	Claire Edwards	62,000		62,000		30,000	(32,000)							30,000
	Alms Close Development	Carl Egonu	1,022,000		1,022,000	17,101	1,750,000	728,000							1,750,000
	Oak Tree Remedial Work	Carl Egonu	950,000		950,000	11,950	1,000,000	50,000							1,000,000
	Oak Tree Centre Development	Carl Egonu				31,990	58,000	58,000				(43,840)	(58,000)	(58,000)	
	Health and Safety Works at Commercial Properties	Jackie Golby		23,000	23,000		23,000								23,000
	Energy Efficiency Works at Commercial Properties	Jackie Golby	25,000	19,000	44,000	4,331	44,000								44,000
	Commercial Property Roofs	Jackie Golby				9,350	9,500	9,500							9,500
	VAT Partial Exemption	Claire Edwards	59,000	110,000	169,000		169,000								169,000
	Cash Receipting	Claire Edwards		1,000	1,000	13,787	13,800	12,800							13,800
	FMS Archive	Claire Edwards		3,000	3,000		(690)	3,000							3,000
	Investment in Company	Claire Edwards		100,000	100,000	(38,000)	100,000								100,000
3C ICT	Robotics	Tony Evans	50,000		50,000		40,000	(10,000)							40,000
	Flexible Working	Emma Alterton		33,000	33,000		33,000								33,000
	Transformation (Council Anywhere)	Emma Alterton		353,000	353,000	103	353,000								353,000
	Insurance Settlement (EFH IT Equipment)	Emma Alterton				11,258	126,300	126,300				(122,661)	(126,300)	(126,300)	

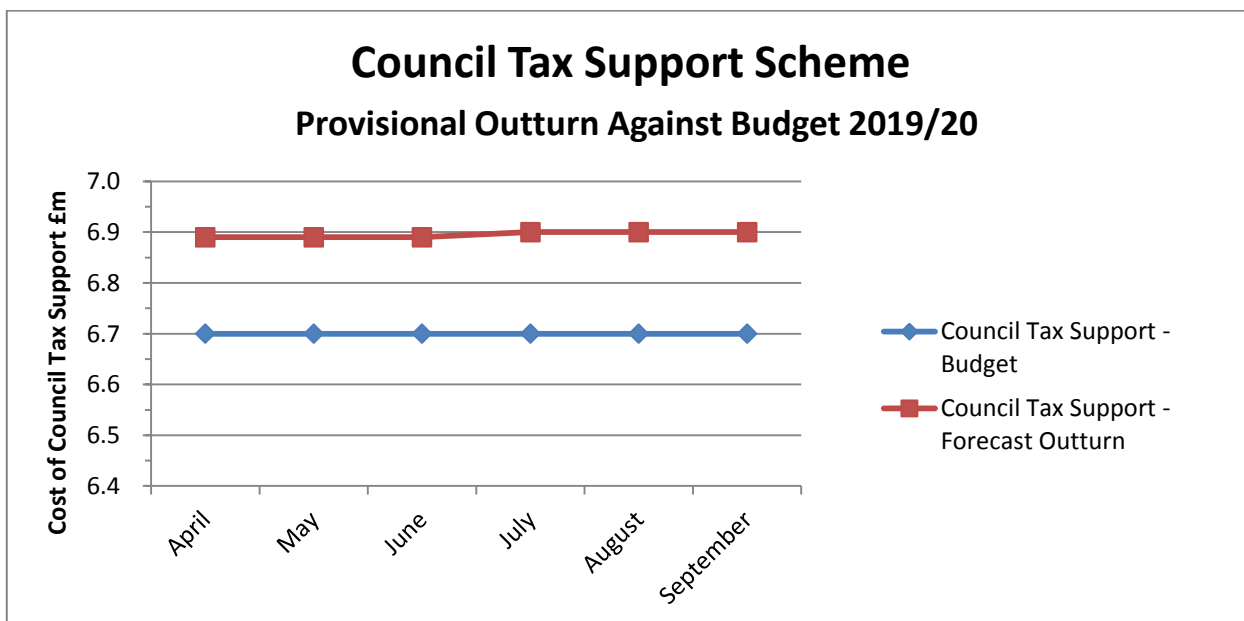
Division	Project	Budget Manager	Gross Expenditure						Grants, Contributions and Funding						Net Forecast Expenditure	
			Approved Budget £	Rephase or Supplementary £	Revised Budget £	Expenditure £	Forecast £	Variance £	Approved Budget £	Rephase or Supplementary £	Updated Budget £	Income £	Forecast £	Variance £	Variance £	
Operations	Fencing	Helen Lack	10,000		10,000	3,990	10,000									10,000
	Building Efficiencies (Salix)	Julia Blackwell	19,000	13,000	32,000		46,200	14,200								46,200
	Wheeled Bins	Heidi Field	236,000		236,000	43,850	130,000	(106,000)	(92,000)		(92,000)	(128,205)	(81,000)	11,000	49,000	
	Vehicle Fleet Replacement	Colin Moss	35,000	90,000	125,000	81	125,000					(4,229)			125,000	
	Play Equipment	Helen Lack	35,000		35,000		35,000								35,000	
	Re-fit Building	Julia Blackwell	37,000	254,000	291,000	900	233,000	(58,000)							233,000	
	Parking Strategy	George McDowell	315,000		315,000	9,890	300,000	(15,000)							300,000	
	Bridge Place Car Park	George McDowell	107,000		107,000	5,474	107,000								107,000	
	Bridge Place Car Park (Rephase)	George McDowell	277,000	13,000	290,000		290,000								290,000	
	Operations Back Office	Matt Chudley	253,000	37,000	290,000	26,071	290,000		(117,000)	(38,000)	(155,000)		(155,000)		135,000	
	Pathfinder House Reception	Mark Houston				450										
	Transformation	Customer Relationship Management	Tassie Hookham		83,000	83,000	37,057	83,000								83,000
Corporate Financing	Loan Repayments	Claire Edwards							(320,000)		(320,000)		(320,000)		(320,000)	
	Housing Clawback Receipts	Claire Edwards							(500,000)		(500,000)		(500,000)		(500,000)	
	Bridge Place Sale	Claire Edwards							(384,000)		(384,000)		(384,000)		(384,000)	
Total Expenditure			7,693,000	2,134,000	9,827,000	1,817,485	11,069,367	1,242,367	(2,679,000)	(222,000)	(2,901,000)	(1,645,511)	(3,475,595)	(574,595)	7,593,772	

Net (underspend)/Overspend 667,772

Annex D – Financial Dashboard

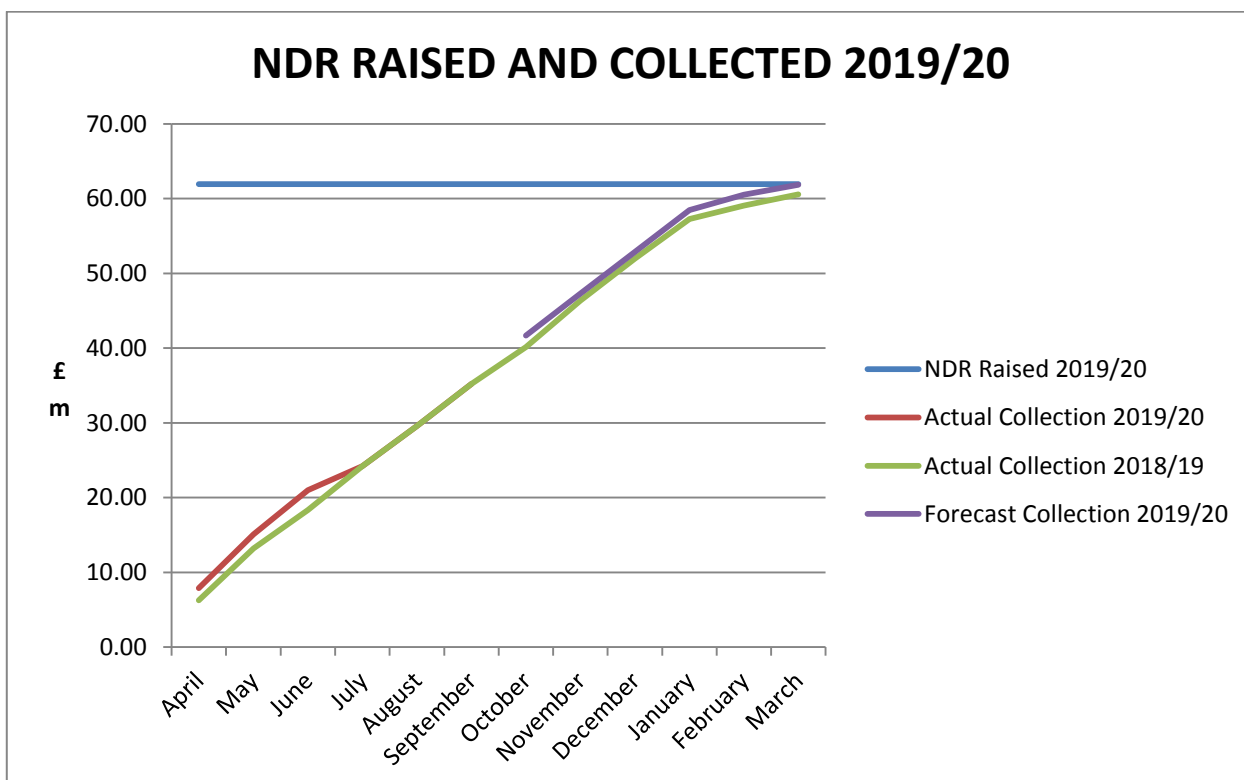
Council Tax Support Scheme

Currently, the actual take-up of Council Tax Support is running approximately £0.2m above the budgeted £6.7m. Any 2019/20 increase in Council Tax Support will impact in 2020/21.



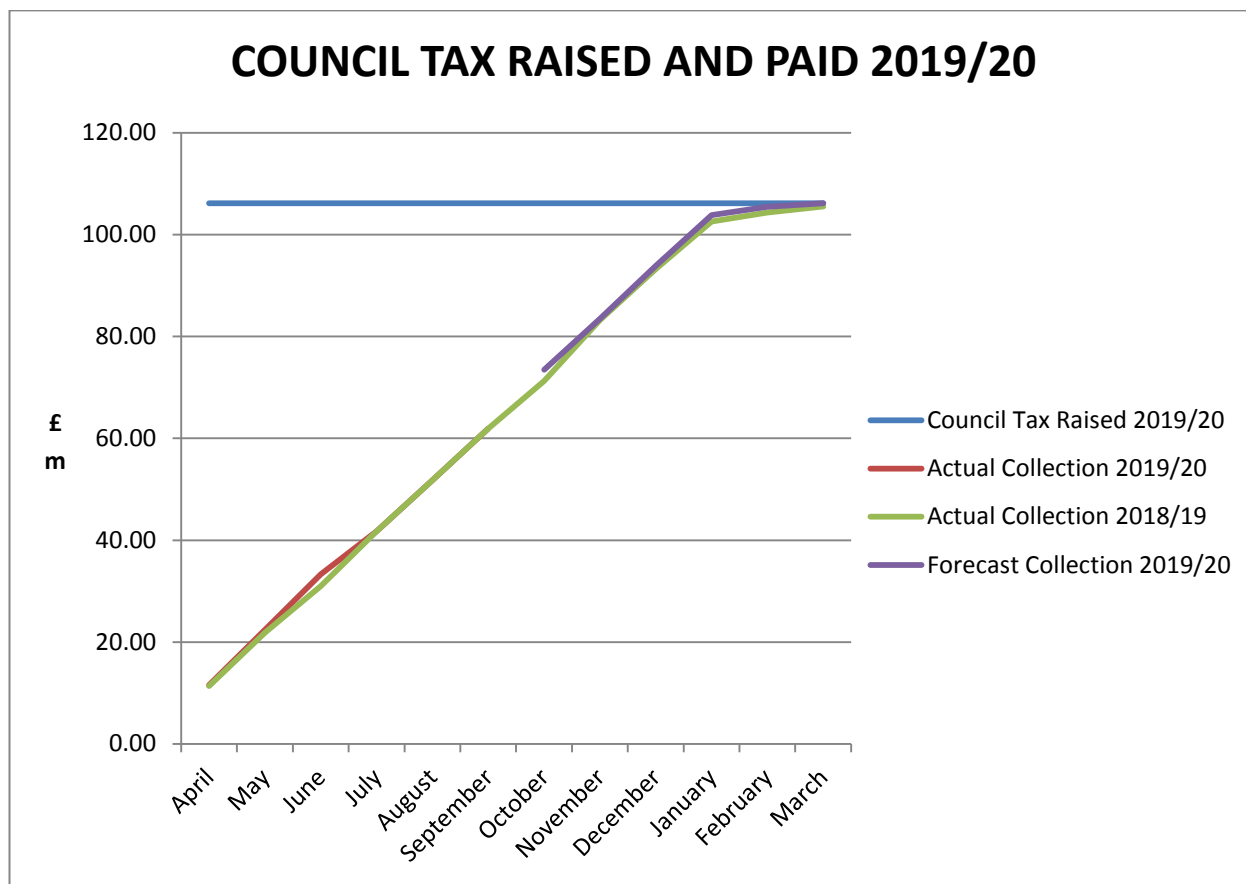
The impact of this increase on HDC will be proportionate to all Council Tax precepts (13.5% for HDC including parishes).

Collection of NDR



The NDR graph above shows the total amount of NDR bills raised in 2019/20 and the actual receipts received up to the end of June, with a forecast for receipts through to the end of the year, based on historical collection rates. The Council tax graph below provides the same analysis.

Collection of Council Tax



Miscellaneous Debt

The total outstanding debt as at 30th September 2019 is £1.205m (July 2019, £1.619m). £256k relates to Commercial Rents, £439k relates to homeless accommodation/prevention, £79k relates to schools and other customers use of One Leisure facilities and £232k relates to Operations.

New Homes Bonus

As part of the Local Government Financial Settlement 2019/20 issued in December 2018 the Government announced changes to local government financing that included the phasing out of the New Homes Bonus Scheme. After 2018/19 no new NHB will be paid and so the amount we receive will tail off over the next 4 years. The impact of this has been included in the 2019/20 MTFS.

The process of considering CIS opportunities is as follows:

Step 1

Property investment opportunities are both introduced by agents and actively sourced by the Commercial Estates Team. An initial review is undertaken against the outline criteria of the CIS such as yield, length of lease, tenant strength etc. and if they are judged to be reasonable investments, further preliminary initial due diligence is undertaken to determine the quality of the leases and an initial financial appraisal is undertaken.

Step 2

If Step 1 is passed, more detailed due diligence is undertaken (including detailed tenant strength review, ownership title, property energy efficiency, market analysis of rents and yield etc), this may lead to a site visit and more robust financial appraisal/modelling and further market scrutiny.

Step 3

If Step 2 is passed, then approval is sought from the members of the Treasury & Capital Management Group, the Managing Director, Corporate Director (Services) and the Head of Resources to submit a formal initial bid, subject to contract and relevant building and condition surveys.

Step 4

If the bid submitted at Step 3 is successful, then this progresses to consideration by Overview and Scrutiny and approval for Cabinet.

Step 5

Once approval is given, formal legal and building condition due diligence commences by instruction of lawyers and building/specialist surveys are undertaken. This may take several weeks during which all concerns raised on legal and lease title and building condition are satisfied. If any significant concerns are unsatisfied, these can either be negotiated on price or withdraw from the purchase.

Reviews Undertaken July – September 2019 (Q2)

Over the above period, 38 properties in total were considered, 36 propositions were reviewed up to stage 1, two were considered to Stage 2 these were discounted as either poor properties, short leases income or overpriced. By property type, the investments considered in Q2 are as follows:

Offices	2	Development Sites	12
Retail	3	Industrial/warehouse	10
Car showrooms	6	Other (residential/leisure etc)	5

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Treasury Management Six Month Performance Review

Meeting/Date: Cabinet – 28th November 2019

Executive Portfolio: Executive Councillor for Strategic Resources, Councillor J A Gray

Report by: Finance Manager (Section 151 Officer)

Ward(s) affected: All Wards

Executive Summary:

Best practice and prescribed treasury management guidance requires Members to be kept up to date in respect of treasury management activity for the first half of the year, including investment and borrowing activity and treasury performance.

The Council's 2019/20 Treasury Management Strategy was approved by the Council on the 27th February 2019 and this report sets out the Treasury Performance for period between 1st April 2019 and 30th September 2019.

The main purpose of Treasury Management is to;

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

The key market Treasury Management issues through the first half of 2019/20 influencing the Council's decision-making were;

- Economic growth forecasts are still more pessimistic due to the Brexit uncertainty, and real wage growth was up to 1.9% excluding bonuses after adjusting for inflation. The unemployment rate edged back down to 3.8% while the employment rate remained at 76.1%.
- Politics at home and abroad continued to be a big driver of financial markets over the last quarter. We have had a new Prime Minister- Boris Johnson since the last report was presented to the Cabinet.

- The Bank of England has maintained Bank Rate at 0.75%, and its August Inflation Report indicated the deterioration in global activity and sentiment. Therefore, the direction of interest rates could be in either direction depending on whether or not a deal is reached.
- Market rates as a whole are very low, due to the Bank Rate remaining historically low, reducing the Council's ability to earn a return on investments without increasing the risk of the investments. The Council's average investing rate was 0.59% (average interest rates obtained from Bank Deposits and Money Market Funds).

The Council's responses to the key issues were;

- When the Council has surplus funds these will primarily be invested on a short term basis, in bank deposit accounts and money market funds.
- Where possible to take a higher return without sacrificing liquidity.
- When borrowing the Council has used the Public Works Loan Board (PWLB), which offers low fixed rate borrowing, based on gilt yields over a long period. The average interest rate paid was 2.76%.
- Where economic conditions are forecast to deteriorate it is vital to monitor financial institutions credit rating, and credit default swap rates (the cost to insure lending). This information is provided by the Council's treasury adviser- Arlingclose.

The Council's Commercial Investment Strategy (CIS)

The Commercial Investment Strategy commenced in 2015/16. Indicators relating to the investments are shown in **Appendix A section 3.5**.

The returns from the CIS portfolio represent a higher return than those from financial institutions and in addition offer a less risky investment as they are backed by a physical asset.

These investments generated £2.8m of investment income for the Council in 2018/19 after taking account of direct costs, representing a rate of return of 6.1%. The breakdown of the properties portfolio is shown in **Table 6** and the proportion of the investment income in relation to gross service expenditure, in **Table 7 of Appendix A**.

Recommendation(s):

The Cabinet is recommended to

- Note the treasury management performance for the first 6 months of 2019/20 and to recommend the report to Council for consideration.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to update Members on the Council's treasury management activity for the first 6 months of the year, including investment and borrowing activity and treasury performance.

2. BACKGROUND

- 2.1 It is regarded as best practice and prescribed treasury management practice, that Members are kept up to date with treasury management activity.
- 2.2 The Council approved the 2019/20 Treasury Management Strategy at its meeting on 27th February 2019.
- 2.3 All treasury management activity undertaken during the first half of 2019/20 complied with the CIPFA Code of Practice and relevant legislative provisions.
- 2.4 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. ANALYSIS

Economic Review

- 3.1 An economic review of the year has been provided by our Treasury Management advisors, Arlingclose and is attached with an analysis of the local context implications in **Appendix A section 2.0**. The main relevance to the Council is
- Economic growth still remains very low and the quarterly National Accounts for Q2 GDP confirmed the UK economy contracted by 0.2%.
 - Real wage growth improved by 1.9% excluding the bonuses and 2.1% if bonuses were included. Employment growth has been softening and rose just by 31,000 in the three month to July.
 - Inflation fell to 1.7% year/year in August. This was below the Bank of England forecast.
 - The bank rate was kept at 0.75%. As a consequence the Council's borrowing costs will remain low but the opportunities to make significant returns on financial investments remain limited but improving.
 - Politics both at home abroad were still a big driver of financial markets over the last quarter.

Performance of Council Funds

- 3.2 The treasury management transactions undertaken during the first 6 months of 2019/20 financial year and the details of the investments and

loans held as at 30th September 2019 are shown in detail in **Appendix A section 3.0 to 3.2.**

Risk Management

- 3.3 The Council's primary objectives for the management of its investment are to give priority to the security and liquidity (how quickly cash can be accessed) of its funds before seeking the best rate of return. For more details see **Appendix A section 3.3.**

Readiness for Brexit

- 3.4 The scheduled date for the UK to leave the EU is now 31st October 2019 and there remains little political clarity as to whether a deal will be agreed by this date. The step being taking by this Council to ensure money invested in Money Market Funds are secure is stated in **Appendix A section 3.4.**

Non Treasury Investments

- 3.5 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non financial assets which the Council holds primarily for financial return. The full details of these investments can be found on **Section 3.5 of Appendix A.**

Compliance

- 4.0 Compliance with specific investment and debt limits are indicated in table **8 and 9 of Appendix A.**

Treasury Management Indicators

- 5.0 The Council measures and manages its exposure to treasury management risks using indicators which are details in the **Appendix A section 5.0.**

6. COMMENTS OF OVERVIEW AND SCRUTINY

- 6.1 The Panel received the Treasury Management Six Month Performance Review at its meeting on 5th November 2019.
- 6.2 Following a query on long term borrowing, the Executive Councillor for Resources stated that borrowing was predominantly for property purchases under the Commercial Investment Strategy (CIS).
- 6.3 The issue of the current CIS property values was raised. It was recognised that this is a technical accounting exercise and what is shown is the current property values before new leases are negotiated and in place.

List of Appendices Included

Appendix A

- Economic review (source: Arlingclose)
- Borrowing and Investment as at 30th September 2019
- Risk Management
- Readiness for Brexit
- Non-treasury Investments
- Treasury Management Indicators
- Outlook for the remainder of 2019/20

Appendix B


- Capital Prudential Indicators

Appendix C


- Glossary

CONTACT OFFICES

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Sue Martin, Senior Business Finance Partner

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Treasury Management Six Month Performance Review

1.0 Introduction

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.

The Council's treasury management strategy for 2019/20 was approved at a meeting on 27th February 2019. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remain central to the Council's treasury management strategy.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 27th February 2019.

2.0 External Context

2.1 Economic background

Inflation

UK Consumer Price Inflation (CPIH) fell to 1.7% year/year in August 2019 from 2.0% in July, weaker than the consensus forecast of 1.9% and below the Bank of England's target.

In local context, the inflationary pressures have eased and as a result there is reducing pressure on some budgets. However, the MTFs forecast should factor in the rate of inflation in order to accommodate increase in prices in medium to long term.

Labour Market

The most recent labour market data for the three months to July 2019 showed the unemployment rate edged back down to 3.8% while the employment rate remained at 76.1%, the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.8% and 4.0% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 2.1% including.

In local context, the Council may find it harder to recruit suitable skilled staff and

may have to offer a higher starting salary to attract skilled workers.

Economic Growth

The Quarterly National Accounts for Q2 GDP confirmed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.4% (revised from -0.5% in the first estimate) as Brexit uncertainties impacted on business planning and decision-making.

Locally, the challenging conditions in the economy will impact on the Council's services that are income earning.

Politics

Politics both home and abroad, continued to be a big driver of financial markets over the last quarter. Boris Johnson won the Conservative Party leadership contest and has committed to leaving the EU on 31st October regardless of whether a deal is reached with the EU.

Withdrawal from the EU may create skills shortages especially in the construction and tourism industries. Whilst it seems to have a no direct impact on the Council, there may be a role for the Council to engage with the local economy to help to support local businesses where there are skills shortages.

Global Monetary Policy

Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut its target Federal Funds rates by 0.25% in September to a range of 1.75% - 2%, a pre-emptive move to maintain economic growth amid escalating concerns over the trade war and a weaker economic environment leading to more pronounced global slowdown. The euro area Purchasing Manager Indices (PMIs) pointed to a deepening slowdown in the Eurozone. These elevated concerns have caused key government yield curves to invert, something seen by many commentators as a predictor of a global recession. Market expectations are for further interest rate cuts from the Fed and in September the European Central Bank reduced its deposit rate to -0.5% and announced the recommencement of quantitative easing from 1st November.

A reduction in economic activity could have an adverse effect on the Council's trading operations (e.g. CIS, Markets, Car Parks, Building Control, Development Control and leisure); as well as receipts from business rates and council tax.

Interest Rates Forecast

The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately reached by 31st October.

The historical low level of interest rates, have made it difficult to achieve a higher rates returns on investment.

2.2 Financial markets

After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end of June, the 5-year benchmark gilt yield fell to 0.32% by the end of September. There were falls in the 10-year and 20-year gilts over the same period, with the former dropping from 0.83% to 0.55% and the latter falling from 1.35% to 0.88%. 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.65%, 0.75% and 1.00% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently both trading around -0.77%.

2.3 Credit background

Credit Default Swap (CDS) spreads rose and then fell again during the quarter, continuing to remain low in historical terms. After rising to almost 120bps in May, the spread on non-ring-fenced bank NatWest Markets plc fell back to around 80bps by the end of September, while for the ring-fenced entity, National Westminster Bank plc, the spread remained around 40bps. The other main UK banks, as yet not separated into ring-fenced and non-ring-fenced from a CDS perspective, traded between 34 and 76bps at the end of the period.

There were minimal credit rating changes during the period. Moody's upgraded The Co-operative Bank's long-term rating to B3 and Fitch upgraded Clydesdale Bank and Virgin Money to A-.

3.0 Local Context

On 31st March 2019, the Council had net borrowing of £13.08m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.19 Estimate £m	31.3.19 Actual £m
General Fund CFR	44.60	57.70
Less: *Other debt liabilities	0.50	0.50
Total CFR	44.10	58.20
External borrowing	20.70	28.53
Internal borrowing	23.40	29.67
Less: Usable reserves	39.40	43.12
Less: Working capital	4.00	9.04
Net Investing	20.00	22.49

The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 30th September 2019 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.19 Balance £m	Movement £m	30.9.19 Balance £m	30.9.19 Rate %
Long-term borrowing	28.53	11.70	40.23	2.76
Short-term borrowing	0.00		0.00	
Total borrowing	28.53		40.23	
Long-term investments	12.53	0.12	12.41	3.85
Short-term investments	1.00	(1.00)	0.00	
Cash and cash equivalents	1.92	14.13	16.05	0.59
Total investments	15.45		28.46	3.38
Net borrowing	13.08		11.77	

The large movement in long-term borrowing was as a result of additional borrowing of £11.96m on the 26th June 2019 from PWLB to fund the asset purchase of CMS Distribution TriLink, Wakefield Europort. The total cost of this asset was £14.42m and the remaining £2.46m amount was funded by internal borrowing.

The movement in the cash and cash equivalent has been as result of council tax and NNDR receipts; these funds were invested in bank deposits and Money Market Funds for easy access and liquidity reasons.

3.1 Borrowing Strategy during the period

At 30th September 2019 the Council held £40.23m of loans, an increase of £11.70m to 31st March 2019, as part of its strategy for funding CIS programmes. Outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.19	Net	30.9.19	30.9.19	30.9.19
	Balance	Movement	Balance	Weighted	Weighted
	£m	£m	£m	Average	Average
				Rate	Maturity
				%	(years)
Public Works Loan Board	28.53	11.70	40.23	2.76	23.90
Local authorities (short-term)	-		-		
Total borrowing	28.53		40.23		23.90

The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

With short-term interest rates remaining much lower than long-term rates, the Council considered it to be more cost effective in the near term to use internal resources or short-term loans instead. The Council had not used short-term loans facility so far in this financial year.

The Council has an increasing CFR due to the capital programme including CIS purchases and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the Council's borrowing need based on realistic projections, the Council decided to take some advantage of the fall in external borrowing rates and borrowed £11.96m maturity loans.

Long dated Loans borrowed	PWLB Reference	Amount £	Rate %	Period (Years)
PWLB 1	495152	5,000,000	3.91	39.0
PWLB 2	495153	5,000,000	3.90	38.5
PWLB 3	502463	640,353	2.24	3.5
PWLB 4	504487	698,064	3.28	27.0
PWLB 5	504598	928,734	3.10	27.0
PWLB 6	504810	463,278	2.91	27.0
PWLB 7	504922	375,756	3.10	27.5
PWLB 8	504993	304,723	2.92	27.5
PWLB 9	505255	605,334	2.31	27.5
PWLB 10	505372	464,938	2.18	27.5

PWLB 11	505649	827,972	2.67	28.0
PWLB 12	506436	5,000,000	2.78	18.0
PWLB 13	508696	7,291,685	2.49	19.0
PWLB 14	508931	666,667	1.48	2.0
PWLB 15	509389	11,963,000	2.18	19.5
Total borrowing		40,230,504	2.76	23.9

The Council's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.

3.2 Treasury Investment Activity

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held and money borrowed in advance of need. During the year, the Council's investment balances ranged between £2.52m and £24.65 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.19 Balance	Net Movement	30.9.19 Balance	30.9.19 Income Return	30.9.19 Weighted Average Maturity days
	£	£m	£m	%	
Banks & building societies (unsecured)	1,171,315	6,440,685	7,612,000	0.32	30
Government (incl. local authorities)	1,000,000	(1,000,000)	-	-	7
Money Market Funds	745,000	7,695,000	8,440,000	0.73	7
Loans to other organisation	8,566,528	(121,775)	8,444,753	3.29	>365
Other Pooled Funds.					
- Property funds	3,965,539		3,965,539	4.23	>365

Total investments	15,448,382	13,013,910	28,462,292	3.51*
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The weighted average rate for the investment portfolio up to 30.09.2019 was 3.51%.

3.3 Risk Management

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Given the increasing risk and low returns from short-term unsecured bank investments, the Council has maintained a diversified portfolio of asset classes as shown in table 4 above. £7.7m that was available for short-term investment was moved from bank and building society deposits into Money Market funds which had higher rates of return than bank deposits. As a result, investment risk was diversified while the average income return has increased by 0.11% to 3.51%.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return
			%		%
31.03.2019	4.30	AA-	66	2	3.60
30.09.2019	4.72	A+	100	1	1.35
Similar LAs	4.26	AA-	53	86	1.80
All LAs	4.28	AA-	55	29	1.43

*Weighted average maturity

£3.97m of the Council's investments are held in externally managed strategic pooled property funds – CCLA Property Fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. This fund generated an average total return of £83,478 (4.23%), comprising a £29,842 (0.59%) income return from bank deposit

and MMFs combined for period of 1st April to 30 September 2019 which is used to support services in year.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates. In light of their performance over the medium-term and the Council's latest cash flow forecasts, investment in these funds has been maintained.

3.4 Readiness for Brexit

The scheduled leave date for the UK to leave the EU is now 31st October 2019 and there remains little political clarity as to whether a deal will be agreed by this date and there is the possibility that the exit date is pushed back yet again. As 31st October approaches the Council will ensure there are enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity required in the near term and that its account with the Debt Management Account Deposit Facility (DMADF) remains available for use in an emergency.

3.5 Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held £60.1m of such investments in:

- directly owned property £60.0m
- shareholding in subsidiaries £0.1m

Table 6: Property held for investment purposes in £'000

Property	Actual Purchase cost	31.3.2019 Gains or (losses)	actual Value in accounts	31.3.2020 Gains or (losses)	expected Value in accounts
Existing Portfolio	19,644	1,234	20,878	0	19,644
2 Stonehill	1,400	250	1,650	0	1,400

80 Wilbury Way	2,200	(125)	2,075	0	2,200
Shawlands Retail Park	6,500	(500)	6,000	0	6,500
1400 & 1500 Parkway	5,425	(175)	5,250	0	5,425
Units 21a, 21b,23a,b,c Little End Road, St Neots	3,200	0	3,200	0	3,200
Rowley Centre, St Neots	7,600	(400)	7,200	0	7,200
Tri-link, Wakefield	13,750	0	0	0	13,750
TOTAL	59,719	284	46,253	0	60,003

These investments generated £2.8m of investment income for the Authority in 2018/19 after taking account of direct costs, representing a rate of return of 6.1%.

The Authority is dependent on profit generating investment activity to achieve a balanced revenue budget. The table below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Authority's contingency plans for continuing to provide these services, are to use reserves where necessary to offset any negative variances in the final outturn. Unallocated general fund balances and budget surplus reserve can be used in case of a downturn in investment income to meet any detrimental effect.

Table 7: Proportionality of Investments in £'000

	2017/18 Actual	2018/19 Actual	2019/20 Budget	2020/21 Budget	2021/22 Budget
Gross service expenditure	78,322	75,729	69,951	63,638	59,787
Investment income	2,639	2,753	2,792	2,950	2,516
Proportion	3.4%	3.6%	4.0%	4.6%	4.2%

4.0 Compliance

The Finance Manager (s151 officer) reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 8: Debt Limits

	30.9.19 Actual £m	2019/20 Operational Boundary £m	2019/20 Authorised Limit £m	Complied?
General	10.00	70.00	80.00	Yes
Loans	5.98	15.00	20.00	Yes
CIS	24.25	30.00	30.00	Yes
Total debt	40.23	115.00	130.00	

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was below the operational boundary all through the quarter.

Table 9: Investment Limits

Deposit Accounts	30.9.19 Actual £m	2019/20 Limit £m	Complied?
NatWest	0.83	1.00	Yes
Debt Management Office (DMO)	-	unlimited	Yes
Santander	2.04	4.00	Yes
Handelsbanken	0.87	4.00	Yes
Barclays	3.88	4.00	Yes

Money Market Funds	30.9.19 Actual £m	2019/20 Limit £m	Complied?
BlackRock Institutional sterling liquidity Fund	1.00	2.00	Yes
CCLA Public Sector Deposit Fund	1.00	1.00	Yes
Federated Short Term Prime Fund	1.50	2.00	Yes
Insight Liquidity Funds	1.50	2.00	Yes
Legal & General Sterling Liquidity Fund	2.00	2.00	Yes
Aberdeen Liquidity Fund	0.44	2.00	Yes

5.0 Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.9.19 Actual	2019/20 Target	Complied?
Portfolio average credit rating	A+	A-	Yes

Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	30.9.19 Actual £m	2019/20 Target £m	Complied ?
Total cash available within 3 months	14.2	2.0	Yes

Interest Rate Exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	30.9.19 Actual	2019/20 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	0*	£128,000	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	0*	£128,000	Yes

*There has not been any significant change in interest rate of borrowing that could impact the Council's one-year revenue because the PWLB loans were all fixed rates.

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	30.9.19 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	0%	80%	0%	Yes
12 months and within 24 months	6.70%	80%	0%	Yes
24 months and within 5 years	6.70%	80%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	86.70%	100%	0%	Yes

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

Principal Sums Invested for Periods Longer than a 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. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2019/20	2020/21	2021/22
Actual principal invested beyond year end	£8.44m	£7.56m	£7.19m
Limit on principal invested beyond year end	£10.00m	£10.00m	£10.00m
Complied?	Yes	Yes	Yes

6.0 Outlook for the remainder of 2019/20

The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased dramatically.

There appears no near-term resolution to the trade dispute between China and the US, a dispute that the US appears comfortable exacerbating further. With the 2020 presidential election a year away, Donald Trump is unlikely to change his stance.

Parliament appears to have frustrated UK Prime Minister Boris Johnson's desire to exit the EU on 31st October. The probability of a no-deal EU exit in the immediate term has decreased, although a no-deal Brexit cannot be entirely ruled out for 2019 and the risk of this event remains for 2020. The risk of a general election in the near term has, however, increased.

Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Our treasury advisor Arlingclose expects Bank Rate to remain at 0.75% for the foreseeable future but there remain substantial risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy. Arlingclose also expects gilt yields to remain at low levels for the foreseeable future and judge the risks to be weighted to the downside and that volatility will continue to offer longer-term borrowing opportunities

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Cas	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

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Capital Prudential Indicators

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

The summary of the capital expenditure is shown in the Table 1 below.

Table 1: Summary of Capital Expenditure in £m

	2019/20 Budget	2019/20 Forecast
General Fund Services	7.7	11.1
Capital investments	0.0	14.7
Total	7.7	25.8

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing).

Table 2: The summary of Capital financing in £m

	2019/20 Budget	2019/20 Forecast
External sources	1.5	1.8
Own resources	1.2	1.6
Debt	5.0	22.4
Total	7.7	25.8

Debt is only temporary source of finance since loans and leases a must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP).

Table 3: The summary of capital Financing Requirement in £m

	2019/20 Budget	2019/20 Forecast
General Fund Services	41.5	47.9
Capital investments	5.7	32.2
Total CFR	47.2	80.1

When a capital asset is no longer needed, it may be sold so that the proceeds known as capital receipts can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts.

The summary of the capital receipts is shown in Table 4 below in £m.

	2019/20 Budget	2019/20 Forecast
Asset sales	0.88	0.93
Loans repaid	0.32	0.32
Total	1.20	1.25

GLOSSARY

Bail in Risk

Bail in risk arises from the failure of a bank. Bond-holders or investors in the bank would be expected to suffer losses on their investments, as opposed to the bank being bailed out by government.

Bank Equity Buffer

The mandatory capital that financial institutions are required to hold, in order to provide a cushion against financial downturns, to ensure the institution can continue to meet its liquidity requirements.

Bank Stress Tests

Tests carried out by the European Central Bank on 51 banks across the EU. The tests put banks under a number of scenarios and analyse how the bank's capital holds up under each of the scenarios. The scenarios include, a sharp rise in bond yields, a low growth environment, rising debt, and adverse action in the unregulated financial sector.

Bonds

A bond is a form of loan, the holder of the bond is entitled to a fixed rate of interest (coupon) at fixed intervals. The bond has a fixed life and can be traded.

Call Account

A bank account that offers a rate of return and the funds are available to withdraw on a daily basis.

Capital Financing Requirement (CFR)

The CFR is a measure of the capital expenditure incurred historically, but has yet to be financed; by for example capital receipts or grants funding.

Collar (Money Market Fund)

The fund "collar" forms part of the valuation mechanism for the fund. LVNAV funds allow investors to purchase and redeem shares at a constant NAV calculated to 2 decimal places, i.e. £1.00. This is achieved by the fund using amortised cost for valuation purposes, subject to the variation against the marked-to-market NAV being no greater than 20 basis points (0.2%). (This compares to current Prime CNAV funds which round to 50 basis points, or 0.5%, of the NAV.)

Counterparty

Another organisation with which the Council has entered into a financial transaction with, for example, invested with or borrowed from.

Credit Default Swaps (CDS)

A financial agreement that the seller of the CDS will compensate the buyer in the event of a loan default. The seller insures the buyer against a loan defaulting.

Credit Ratings

A credit rating is the evaluation of a credit risk of a debtor, and predicting their ability to pay back the debt. The rating represents an evaluation of a credit rating agency of the qualitative and quantitative information, this result in a score, denoted usually by the letters A to D and including +/-.

Gilts

Bonds issued by the Government.

LIBOR

London Interbank Offered Rate is the rate at which banks are willing to lend to each other.

LIBID

London Interbank Bid Rate is the rate at which a bank is willing to borrow from other banks.

Liquidity

The degree to which an asset can be bought or sold quickly.

LVNAV Money Market Fund

Low volatility net asset value. The fund will have at least 10% of its assets maturing on a daily basis and at least 30% of assets maturing on a weekly basis.

Minimum Revenue Provision (MRP)

An amount set aside to repay debt.

Money Market Funds

An open ended mutual fund that invests in short-term debt securities. A deposit will earn a rate of interest, whilst maintaining the net asset value of the investment. Deposits are generally available for withdrawal on the day.

Public Works Loans Board (PWLB)

The PWLB is an agency of the Treasury, it lends to public bodies at fixed rates for periods up to 50 years. Interest rates are determined by gilt yields.

Transactional Banking

Use of a bank for day to day banking requirement, e.g. provision of current accounts, deposit accounts and on-line banking.

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the HINCHINGBROOKE COUNTRY PARK JOINT GROUP held in the Wren Room, Countryside Centre, Hinchingsbrooke Country Park, Brampton Road, Huntingdon, PE29 6DB on Friday, 11 October 2019.

PRESENT: Councillor R J West – Chairman.

Councillors Mrs A Costello, J M Palmer and Mrs S R Wilson.

1 ELECTION OF CHAIRMAN

RESOLVED

that Councillor R J West be elected Chairman of the Hinchingsbrooke Country Park Joint Group for the remainder of the Municipal Year.

Councillor R J West in the Chair.

2 MINUTES

The Minutes of the meeting held on 4th April 2019 were approved as a correct record and signed by the Chairman.

3 MEMBERS' INTERESTS

Councillor Mrs S R Wilson declared a disclosable pecuniary interest in Minute No. 19/6 by virtue of her membership of Godmanchester Town Council.

4 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED

that District Councillor J M Palmer be appointed Vice-Chairman of the Hinchingsbrooke Country Park Joint Group for the remainder of the Municipal Year.

5 MEMBERSHIP OF THE GROUP

The membership of the Hinchingsbrooke Country Park Joint Group for 2019/20 was noted as follows:

(a) Cambridgeshire County Council (appointment until 2021)

Councillor Mrs A Costello.

(b) Huntingdonshire District Council

Councillors J M Palmer, T D Sanderson, R J West and Mrs S R Wilson.

6 SENIOR RANGER'S REPORT

The Group received and noted the contents of the Senior Ranger's report (a copy of which is appended in the Minute Book) on park activities for the period March - September 2019. In doing so, comment was made as follows:

Staffing

Members were informed of the challenges with staffing at the Country Park which included the long term absence of a member of staff at the nursery and the unusually high turnover of staff in the café. The Countryside Services Manager explained the issues experienced with younger staff at the café and the need to incentivise them more to proactively fulfil their roles.

Volunteers

Having been encouraged to note the success of the Summer Volunteer Thank You evening, the Senior Ranger reported that the Green Team voluntary disabled group were due to return to the Park in October 2019. It was not yet known how much time the team would be able to devote owing to a shift towards a more educational approach to their work.

Park Management

The Group were encouraged to note the range of work undertaken at the site over the summer months which included the installation of new bins which had been funded via a grant by Park Run, bench maintenance, repainting and re-staining park signage and cutting back overgrown vegetation from paths and maintenance of the wildflower meadows.

Planned works for the winter months included further maintenance work of the wildflower meadows, path maintenance on the top bridle ride in Bob's Wood, opening of glades in woodland areas to encourage the growth of woodland flowers and tree felling. Comment was made by a Member that a more robust solution was required for the maintenance of footpaths. The Senior Ranger responded by informing the Group that he would be looking at alternative options once the current stock of path maintenance material had been utilised.

Questions were raised around the removal of play equipment from the play park as a result of routine health and safety checks. Concern was expressed that the equipment had been removed in August 2019 and not yet returned. The Senior Ranger reported that the Development Manager had been liaising with the contractor, but that a date for its return was not yet known.

Community Groups

It was reported that the Manager of the Fireflies Forest School had now become a committee member of the Friends of Hinchingsbrooke Country Park. Members noted that the Huntingdonshire Bee Keepers Association had commenced refurbishment works to their viewing gallery and that weekly Mindfulness Walks had recently started in the Park.

The Chairman commented that he had attended the Annual General Meeting (AGM) of the Friends of Hinchingsbrooke Country Park on 2nd May 2019 and commended the Countryside Manager for her talk on the Park's 30th Anniversary Celebrations. It had been enlightening to see how the Park had developed over the years.

Café

Despite the extremely hot weather, £155,000 of income had been generated by the café over the first half of the financial year, which represented approximately 70% of the budget. Following a question raised by a Member, it was confirmed that café staff were employed on a zero hours contracts.

Events, Activities and Promotions

Events which had taken place over the reporting period included the Father's Day BBQ, Robin Hood event and the Country Park's 30th Birthday celebrations. Events due to be held over future months were currently being advertised on site and especially via Facebook which is currently the most used method of research by our target groups.

Countryside Centre

Attention was drawn to occupancy levels, the number of bookings taken and the revenue generated at the Countryside Centre between April to August 2019. In noting the percentage of bookable time used in the Countryside Centre each month based on one full time member of staff, the Countryside Services Manager explained to Members how these figures had been calculated.

Financial Position

Members' attention was drawn to the financial position of the Park. Having had their attention drawn to the variances, it was explained that this was largely a result of savings in staff costs for the Country Park and Management and the Countryside Centre. It was however reported that the café had overspent by £10,000 which largely related to expenditure on café assistants as there is no budget allocation for those on zero hours contracts.

Income from S106 projects were also coming to the end of their life. This would impact upon the accounts at the end of the financial year and future years, necessitating the need for the development proposals at the Country Park to commence sooner rather than later.

Hinchingsbrooke Country Park Development Proposals

Councillor J M Palmer advised the Group that the development proposals for the Country Park had been delayed a year owing to protracted negotiations with Cambridgeshire County Council. The Head of Operations then went on to explain that the District Council would not be able to sustain the £100,000 loss each year for the next 7 years without the development proceeding.

The County Council's Investment and Assets Committee had asked for clarity on the proposals. Consultants had been commissioned to review the business plan

and modelling and to undertake a comparison with Milton Country Park. In terms of the latter, comment was made that the two sites were unique with their own individual constraints. The Head of Operations then went on to explain that discussions were also underway with an expert from Sport Lakes Trust who manage Milton Country Park.

For the benefit of Councillor Mrs S R Wilson, Councillor J M Palmer provided background to the development proposals explaining the period of time left on the lease with the County Council, the financial loss incurred by the District Council to subsidise the Park, the proposals to enhance and expand the facilities on site, the level of investment proposed and the difficulties that were being experienced in getting the County Council on board.

In the short term, alternative solutions for raising income at the Park were currently being identified by Officers. This included the sale of wood from felled trees, outdoor cinema events with bars and re-enactments within the Park.

The Head of Operations advised that he would look to arrange a presentation for County Council Members on the process employed by the District Council's consultants to develop the business plan and to provide an outline of the benefits of the proposals.

Future Parks

A brief outline of the National Trust's Future Parks initiative was then delivered. District Council Officers were engaging proactively with the scheme which included participants from across the Cambridgeshire and Peterborough area. Members were encouraged to note that participants experienced similar challenges to that of the District Council and that it was proving useful to learn from and share experiences. The initiative would seek to produce best practice documents for the sector.

Paxton Pits Nature Reserve

In response to a question raised by a Member, background on the history of Paxton Pits nature reserve was delivered to the Group. Members were encouraged to note that the long awaited expansion proposals would come into fruition over the year, offering a number of opportunities. The Friends of Paxton Pits were a very large and active group, regularly contributing to projects and schemes in the area.

7 DATE OF NEXT MEETING

It was noted that the next meeting of the Hinchingsbrooke Country Park Joint Group would be held on 13th March 2020 at 10:00am.

Chairman