



A meeting of the **OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND GROWTH)** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **WEDNESDAY, 5TH FEBRUARY 2020** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **AGENDA**

### **APOLOGIES**

**1. MINUTES** (Pages 5 - 10)

To approve as a correct record the Minutes of the Overview and Scrutiny Panel (Performance and Growth) meeting held on 8th January 2020.

**Contact Officer: A Green 01480 388008**

**2. MEMBERS' INTERESTS**

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

**3. NOTICE OF KEY EXECUTIVE DECISIONS** (Pages 11 - 18)

A copy of the current Notice of Key Executive Decisions is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**Contact Officer: H Peacey 01480 388007**

**4. PROSPECTUS' FOR GROWTH - HUNTINGDON, ST IVES AND RAMSEY**  
(Pages 19 - 126)

The Prospectus' for Growth for Huntingdon, St Ives and Ramsey will be presented to the Panel.

**Contact Officer: C Kerr 01480 388430**

**5. INTEGRATED PERFORMANCE REPORT 2019/20 - QUARTER 3** (Pages 127 - 196)

The Panel are to consider the Integrated Performance Report 2019/20 – Quarter 3.

**Contact Officer: D Buckridge 01480 388065 / C Edwards 01480 388822**

**6. FINAL BUDGET 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY (Pages 197 - 258)**

The Panel are to receive the final 2020/21 budget and medium term financial strategy 2021/22 to 2024/25.

**Contact Officer: C Edwards 01480 388822**

**7. TREASURY MANAGEMENT STRATEGY (Pages 259 - 322)**

Members are to receive the Treasury Management Strategy.

**Contact Officer: C Edwards 01480 388822**

**8. OVERVIEW AND SCRUTINY WORK PROGRAMME (Pages 323 - 332)**

The Panel are to receive the Overview and Scrutiny Work Programme.

**Contact Officer: A Green 01480 388008**

28th day of January 2020



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](#)

**Filming, Photography and Recording at Council Meetings**

The District Council permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening at meetings.

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

**Please contact Mr Adam Green, Democratic Services Officer (Scrutiny), Tel No. 01480 388008/e-mail Adam.Green@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 Committee/Panel.**

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

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

Agenda and enclosures can be viewed on the [District Council's website](#).

**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.

This page is intentionally left blank

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND GROWTH) held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 8th January 2020

PRESENT: Councillor D B Dew – Chairman.

Councillors B S Chapman, J W Davies, Dr P L R Gaskin, K P Gulson, J P Morris, S Wakeford and D J Wells.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors J C Cooper-Marsh, S J Corney and M S Grice.

IN ATTENDANCE: Councillor Mrs S J Conboy, J A Gray, J Neish, K I Prentice, T D Sanderson and Mrs S Smith.

### **43 MINUTES**

The Minutes of the meeting held on 5th November 2019 were approved as a correct record and signed by the Chairman.

### **44 MEMBERS' INTERESTS**

No declarations of interest were received.

### **45 NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel received and noted the current Notice of Key Executive Decisions (a copy of which has been appended in the Minute Book) which has been prepared by the Executive Leader for the period 1st January 2020 to 30th April 2020.

### **46 ALTERNATIVE BUDGET PROPOSALS FROM THE HDC INDEPENDENT GROUP**

With the aid of a report by the HDC Independent Group Leader (a copy of which has been appended in the Minute Book) the alternative budget proposals from the HDC independent Group were presented to the Panel.

Councillor Gaskin asked what the benefit would be of adding £100k to the Community Chest Fund when the existing £60k had not been fully allocated. Councillor Sanderson, HDC Independent Group Leader, stated that if the Fund was advertised more prominently then there would be better take up, meaning more community organisations might benefit. It was noted by Members that the Community Chest Fund required greater advertisement and there was general agreement that this needs to be done before any proposal to increase the Fund was considered.

It was asked, by Councillor Morris, whether the consequences for the service of removing £100k from the Active Lifestyles budget had been considered. It was confirmed that this had not been considered but Councillor Sanderson stated that the HDC Independent Group would consider reallocating £100k from another budget line if it meant there were additional funds for the Community Chest Fund.

A suggestion was made by Councillor Chapman that money should be taken out of the Active Lifestyles budget but given to voluntary organisations who offered support services (e.g. Citizens' Advice Bureau) instead of the Community Chest. The reasoning for this was that, since voluntary sector funding had been reduced, the burden had fallen on Town and Parish Councils.

Members considered the suggestion to spend £600k on a Housing and Homeless Shelter; however, Councillor Gulson stated that a more detailed proposal would have to be completed before the idea was considered. In addition, it was noted that there needed to be a way to ensure the shelter helped those most in need locally. The Managing Director added that there were active work streams in this area, which should be completed before the idea was suggested again. There also was a Housing Taskforce operating across Cambridgeshire and Peterborough piloting various schemes and options.

Regarding the Youth Facilities Fund, it was suggested that it could be broadened out to organisations other than Parish Councils. However, Members drew attention to the fact that the funding came from the New Homes Bonus, which was due to cease in the next few years.

Whilst Members recognised the number of highways improvements funded through the Local Highway Improvements Fund, the Panel remained unconvinced that adding £100k to the fund was the best way to deliver further improvements.

#### RESOLVED

that the Panel's views on the Alternative Budget Proposal be conveyed to the Cabinet.

#### **47 DRAFT 2020/21 REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (2021/22 TO 2024/25); INCLUDING THE CAPITAL PROGRAMME**

With the aid of a report by the Finance Manager (a copy of which has been appended in the Minute Book) the draft 2020/21 Revenue Budget and the Medium Term Financial Strategy (MTFS) 2021/22 to 2024/25, including the capital programme, was presented to the Panel. The Members were informed that 2020/21 would be challenging; however, the outlook over the course of the MTFS was positive and the Council was in a good position for that period.

Councillor Wakeford asked whether the Cambridgeshire or Huntingdonshire figures was considered to be representative of local wage growth. In response, the Executive Councillor for Resources stated that the Cambridgeshire figure was used.

Discussion took place on the risk associated with raising the minimum wage for the Council, particularly as the report stated there would be a minimal effect on cost. It was explained that the risk related to the cascading effect that raising the minimum wage would have upon the pay scales.

Following an expression of concern that a small change within the budget could have a significant change when delivering a service, the Panel was reassured that as the budget has been reprofiled, it was more robust. In addition, budget managers were more confident that the budget was deliverable. Councillor Wells then asked about the risk associated with the settlement and, in response, was informed that the settlement was draft but there was no expectation that the numbers would change.

Following a question about the main risks to the budget, the Panel was informed that one was funding from Business Rates and another was the frequency of adverse weather. It was noted that adverse weather had a substantial impact upon Operations in delivering their services. Members were informed that the Council had a reserve earmarked for specific items but did not have a general reserve to meet unexpected costs. A conversation then ensued on the budget for the Commercial Investment Strategy. The Panel was reminded that phase one had ended and that the Strategy would be refocussed.

Following a query on a café development at Priory Park/Riverside, the Head of Operations stated that a feasibility study would be carried out and options would be presented before a decision was made. A discussion then took place on car parking income. It was noted that as Members were discussing the budget all that could be identified was the total income and that any in-depth analysis could not be done based on an income line alone.

Councillor Morris asked a question regarding the reduction in employee costs for the Housing service. It was explained that due to a senior management restructure there was no longer a senior management recharge to the service. Members were reassured that there was no intention to reduce the number of staff within the service.

During deliberation on the Leisure and Health budget, the Panel was reassured that this year's budget for the service was challenging but achievable. In addition, it was noted that the losses accrued by the One Leisure site in Sawtry have been taken out of the budget as the Council is no longer responsible for the site. It was expected that there would be income from the Training Shed.

## RESOLVED

that the Panel's views on the draft 2020/21 Revenue Budget and the Medium Term Financial Strategy (MTFS) 2021/22 to 2024/25, including the capital programme be conveyed to the Cabinet.

*(At 8.07pm, during the discussion of this item, Councillor Mrs S Smith left the meeting and did not return.)*

*(At 8.30pm, during the discussion of this item, Councillor T D Sanderson left the meeting.)*

*(At 8.32pm, during the discussion of this item, Councillor T D Sanderson returned to the meeting.)*

*(At 8.38pm, during the discussion of this item, Councillor J Neish left the meeting.)*

*(At 8.39pm, during the discussion of this item, Councillor J Neish returned to the meeting.)*

#### **48 BURY VILLAGE NEIGHBOURHOOD PLAN**

With the aid of a report by Service Manager Growth (Policy, Infrastructure and Strategic Development) (a copy of which has been appended in the Minute Book), the Bury Village Neighbourhood Plan and examination outcome was presented to the Panel.

Members were pleased to see that the local community had the used the opportunity to engage in the process effectively and that Council Officers worked well with the Parish Council in producing the Neighbourhood Plan.

The Panel stated that the Bury Neighbourhood Village Plan was an excellent document and they encouraged the Cabinet to act upon the Examiner's report and then progress the plan to referendum.

*(At 9.15pm, during the discussion of this item, Councillor Mrs S Conboy and J A Gray left the meeting and did not return.)*

#### **49 USE OF SPECIAL URGENCY PROVISIONS VERBAL UPDATE - COMMERCIAL INVESTMENT STRATEGY**

The Panel was informed that the Chairman of the Panel approved that an urgent item, regarding a decision relating to a Commercial Investment Strategy asset, could be considered at Cabinet without prior Overview and Scrutiny.

*(At 9.21pm, during the discussion of this item, Councillor K I Prentice left the meeting and did not return.)*

*(At 9.22pm, during the discussion of this item, Councillor J Neish left the meeting and did not return.)*

#### **50 OVERVIEW AND SCRUTINY WORK PROGRAMME**

With the aid of a report by the Democratic Services Officer (Scrutiny) (a copy of which is appended in the Minute Book) the Overview and Scrutiny Work Programme was presented to the Panel.

*(At 9.26pm, during the discussion of this item, Councillor T D Sanderson left the meeting and did not return.)*



Chairman

This page is intentionally left blank

## NOTICE OF EXECUTIVE KEY DECISIONS INCLUDING THOSE TO BE CONSIDERED IN PRIVATE

Prepared by: Councillor R Fuller, Executive Leader of the Council  
 Date of Publication: 15 January 2020  
 For Period: 1 February 2020 to 31 May 2020

Membership of the Cabinet is as follows:-

Councillor Details		Councillor Contact Details
Councillor Mrs M L Beuttell	Executive Councillor for Operations and Environment	Care of Huntingdonshire District Council Pathfinder House St Mary's Street Huntingdon PE29 3TN  Tel: 01480 388388 E-mail: <a href="mailto:Marge.Beuttell@huntingdonshire.gov.uk">Marge.Beuttell@huntingdonshire.gov.uk</a>
Councillor R Fuller	Executive Leader of the Council and Executive Councillor for Housing and Economic Development	8 Sarah Grace Court New Road St Ives Huntingdon PE27 5DS  Tel: 01480 388311 E-mail: <a href="mailto:Ryan.Fuller@huntingdonshire.gov.uk">Ryan.Fuller@huntingdonshire.gov.uk</a>
Councillor J A Gray	Executive Councillor for Resources	Vine Cottage 2 Station Road Catworth Huntingdon PE28 OPE  Tel: 01832 710799 E-mail: <a href="mailto:Jonathan.Gray@huntingdonshire.gov.uk">Jonathan.Gray@huntingdonshire.gov.uk</a>

Councillor D Keane	Executive Councillor for Corporate Services	1 Bells Villas Mill Street Houghton Cambridgeshire PE28 2BA  Tel: 01480 467147 E-mail: <a href="mailto:David.Keane@huntingdonshire.gov.uk">David.Keane@huntingdonshire.gov.uk</a>
Councillor J Neish	Deputy Executive Leader and Executive Councillor for Strategic Planning	7 Willow Green Needingworth St Ives Cambridgeshire PE27 4SW  Tel: 01480 466110 E-mail: <a href="mailto:Jon.Neish@huntingdonshire.gov.uk">Jon.Neish@huntingdonshire.gov.uk</a>
Councillor J M Palmer	Executive Councillor for Leisure and Health	143 Great Whyte Ramsey Huntingdon PE26 1HP  Tel: 01487 814063 E-mail: <a href="mailto:John.Palmer@huntingdonshire.gov.uk">John.Palmer@huntingdonshire.gov.uk</a>
Councillor K Prentice	Executive Councillor for Communities	2 Ushers Court 89 Great North Road Eaton Socon St Neots PE19 8EL  Tel: 01480 214838 E-mail: <a href="mailto:Keith.Prentice@huntingdonshire.gov.uk">Keith.Prentice@huntingdonshire.gov.uk</a>

Page 12 of 392

Notice is hereby given of:

- Key decisions that will be taken by the Cabinet (or other decision maker)
- Confidential or exempt executive decisions that will be taken in a meeting from which the public will be excluded (for whole or part).

A notice/agenda together with reports and supporting documents for each meeting will be published at least five working days before the date of the meeting. In order to enquire about the availability of documents and subject to any restrictions on their disclosure, copies may be requested by contacting the Democratic Services Team on 01480 388169 or E-mail [Democratic.Services@huntingdonshire.gov.uk](mailto:Democratic.Services@huntingdonshire.gov.uk).

Agendas may be accessed electronically at the [District Council's website](#).

Formal notice is hereby given under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that, where indicated part of the meetings listed in this notice will be held in private because the agenda and reports for the meeting will contain confidential or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. See the relevant paragraphs below.

Any person who wishes to make representations to the decision maker about a decision which is to be made or wishes to object to an item being considered in private may do so by emailing [Democratic.Services@huntingdonshire.gov.uk](mailto:Democratic.Services@huntingdonshire.gov.uk) or by contacting the Democratic Services Team. If representations are received at least eight working days before the date of the meeting, they will be published with the agenda together with a statement of the District Council's response. Any representations received after this time will be verbally reported and considered at the meeting.

**Paragraphs of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) (Reason for the report to be considered in private)**

Page 1 of 32

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the Financial and Business Affairs of any particular person (including the Authority holding that information)
4. Information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations that are arising between the Authority or a Minister of the Crown and employees of or office holders under the Authority
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
6. Information which reveals that the Authority proposes:-
  - (a) To give under any announcement a notice under or by virtue of which requirements are imposed on a person; or
  - (b) To make an Order or Direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Huntingdonshire District Council  
Pathfinder House  
St Mary's Street  
Huntingdon PE29 3TN.

- Notes:-
- (i) Additions changes from the previous Forward Plan are annotated \*\*\*
  - (ii) Part II confidential items which will be considered in private are annotated ## and shown in italic.

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Reasons for the report to be considered in private (paragraph no.)	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Future High Streets Fund Draft Business Plan***	Cabinet	13 Feb 2020		Clara Kerr, Service Manager - Growth Tel No: 01480 388430 or email: Clara.Kerr@huntingdonshire.gov.uk		R Fuller	Performance and Growth
Prospectus' for growth - Huntingdon, St Neves and Ramsey	Cabinet	13 Feb 2020		Clara Kerr, Service Manager - Growth Tel No: 01480 388430 or email: Clara.Kerr@huntingdonshire.gov.uk		R Fuller	Performance and Growth
Treasury Management Strategy	Cabinet	13 Feb 2020		Oliver Colbert, Principal Accountant Tel No: 01480 388067 or email Oliver.Colbert@huntingdonshire.gov.uk		J A Gray	Performance and Growth

Page 14 of 38

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Reasons for the report to be considered in private (paragraph no.)	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Final Budget 2020/21 and Medium Term Financial Strategy	Cabinet	13 Feb 2020		Claire Edwards, Finance Manager Tel No: 01480 388822 or email Claire.Edwards@huntingdonshire.gov.uk		J A Gray	Performance and Growth
Homelessness Review and Strategy	Cabinet	13 Feb 2020		Jon Collen, Housing Needs and Resource Manager Tel No: 01480 388220 or email Jon.Collen@huntingdonshire.gov.uk		R Fuller	Customers and Partnerships
St Ives Outdoor Centre Feasibility Study	Cabinet	19 Mar 2020		Paul France, Business Manager Operations Tel No: 01480 388705 or email Paul.France@huntingdonshire.gov.uk		J M Palmer	Customers and Partnerships

Page 15 of 32

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Reasons for the report to be considered in private (paragraph no.)	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Cambridgeshire Home Improvement Agency Performance Report	Cabinet	19 Mar 2020		Finlay Flett, Operational Manager (People) Tel No: 01480 388377 or email Finlay.Flett@huntingdonshire.gov.uk		R Fuller	Customers and Partnerships
Cambridgeshire Housing Adaptations and Repairs Policy	Cabinet	19 Mar 2020		Finlay Flett, Operational Manager (People) Tel No: 01480 388377 or email Finlay.Flett@huntingdonshire.gov.uk		R Fuller	Customers and Partnerships
Establishment of Employment Company##	Cabinet	19 Mar 2020		Oliver Morley, Corporate Director (People) Tel No: 01480 388103 or email Oliver.Morley@huntingdonshire.gov.uk	3	J A Gray	Performance and Growth

Page 16 of 32



Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Reasons for the report to be considered in private (paragraph no.)	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
HDCV Housing Ltd##	Cabinet	19 Mar 2020		Nigel McCurdy, Corporate Director (Place) Tel No: 01480 388332 or email Nigel.McCurdy@huntingdonshire.gov.uk	3	J A Gray	Performance and Growth
Shared Services Business Plans 2020/21##	Cabinet	19 Mar 2020		Oliver Morley, Corporate Director (People) Tel No: 01480 388103 or email Oliver.Morley@huntingdonshire.gov.uk	3	D Keane	Performance and Growth
Lettings Policy Review	Cabinet	23 Apr 2020		Jon Collen, Housing Needs and Resource Manager Tel No: 01480 388220 or email Jon.Collen@huntingdonshire.gov.uk		R Fuller	Customers and Partnerships

Page 7 of 332

This page is intentionally left blank

**Public**  
**Key Decision - Yes**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Prospectus' for Growth – Huntingdon, St Ives and Ramsey

**Meeting/Date:** Overview and Scrutiny Panel (Performance and Growth) – 5th February 2020

**Executive Portfolio:** Executive Councillor for Housing, Planning and Economic Development – Councillor Ryan Fuller

**Report by:** Planning Services Manager (Growth)

**Wards affected:** All wards in and surrounding Huntingdon, St Ives and Ramsey

---

### **RECOMMENDATION**

The Overview and Scrutiny Panel is invited to comment on this report and associated appendices attached at Appendix A.



**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

<b>Title/Subject Matter:</b>	Prospectus' for Growth – Huntingdon, St Ives and Ramsey
<b>Meeting/Date:</b>	Overview and Scrutiny Panel (Performance and Growth) – 5th February 2020 Cabinet – 13th February 2020
<b>Executive Portfolio:</b>	Executive Councillor for Housing, Planning and Economic Development – Councillor Ryan Fuller
<b>Report by:</b>	Services Manager – Growth
<b>Wards affected:</b>	All wards in and surrounding Huntingdon, St Ives and Ramsey

### Executive Summary:

Following on from the recommendation in the Cambridgeshire and Peterborough independent economic review [CPIER](#) (published in September 2018) to create a market town strategy (Section 8.1) work has been undertaken to develop a “prospectus for growth” (hereafter referred to as PFG) across three more market towns in Huntingdonshire.

[The St Neots Masterplan for growth](#) (June 2018) is underway and during 2019 the next tranche of work has been formed and shaped to focus on the market towns of Huntingdon, St Ives and Ramsey.

These reports, commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA) have been written by Manchester based consultancy Metro Dynamics, who also authored CPIER for the CPCA. These reports have been shaped by means of regular engagement between the consultants, CPCA, the town teams and specialist / senior officers at HDC. In addition, Cambridge Ahead, helped facilitate a workshop in November '19, attended by key stakeholders from the Cambridge economy. (Appendix 5)

The work relating to these reports commenced in Spring 2019. These reports individually aim to address the current challenges facing each market town, conceptualise future opportunities that can be developed, whilst preserving and enhancing each respective place's heritage and identity.

These reports will be presented to the CPCA board on the 25th March for approval. Once approved, the prospectus for growth (PFG) reports will provide the framework for delivery, as part of the CPCA's masterplan strategy which

aims to ensure that all market towns in Cambridgeshire are connected to help support the region's future prosperity.

**Recommendations:**

The Cabinet is

**RECOMMENDED**

to endorse support for on the attached draft reports (appendices 1, 2 and 3) and delegate authority to finalise the Council's final comments on these reports to the Service Manager - Growth, in consultation with the Executive Leader and Deputy Executive Leader, Managing Director and Corporate Director (Place).

## **1. PURPOSE OF THE REPORT**

1.1 The purpose of the report is to provide Members with an understanding of the prospectus for growth for Huntingdon, St Ives and Ramsey.

1.2 For ease the report provides:

- An overview of how this work compliments other strategic economic reports
- A summary of the key points of each town's PFG
- The pathway taken to finalise each PFG report
- An understanding of how this activity fits into the Huntingdonshire Local Plan 2036 or any successor document

1.3 The report is accompanied by the following:

- Appendix 1- PFG Huntingdon
- Appendix 2 – PFG St. Ives
- Appendix 3 – PFG Ramsey

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

2.1 The Cambridgeshire and Peterborough Combined Authority and the respective local authorities all want each of the market towns in the County (11 of them, 4 of which are in Huntingdonshire) to be vibrant and thriving places in their own right. The CPIER recognised the important role that towns do and can make in the success of the wider area.

2.2 Following the production of the St Neots Masterplan, which was led by the Combined Authority, the 'plans' for the remaining towns is led by the respective District Councils with funding from the Combined Authority. Following the engagement of Metrodynamics the project for Huntingdon, St Ives and Ramsey launched at the beginning of May 2019 and will be presented to the March CPCA board on the 25th. At the time of drafting this report a further Town Team session with the CPCA Mayor is programmed for each town on the 30th January. An update on the outcome of those meetings will be provided on or before the Panel meets.

2.3 Work to date has focussed on ensuring we have a sound understanding of potential strengths and opportunities in each town and has involved data analysis; workshops with teams from each of the three towns, the District Council and CPCA; and targeted engagement with organisations on identified issues and opportunities.

2.4 Through the development of the PFGs opportunities were identified and developed – physical interventions including connectivity (transport and digital), sector specialisms, as well as wider issues such as skills and health – and these continue to be tested as part of a wider engagement process. The purpose of these prospectuses is to focus on transformational, game-changing interventions that can make the most of opportunities unique to each town and its community, creating new jobs,

improving productivity and raising aspirations in and around each town. Some are quick wins but others will be longer term objectives.

- 2.5 These Prospectuses, when finalised, will look to set out a consensus of the opportunities in each town and the interventions required to unlock them, and enable partners to work together to then secure the support, including financial support, required to deliver them.
- 2.6 The prospectus for growth reports form part of the CPCA's market towns strategy which was one of the key recommendations of [CPIER](#).
- 2.7 The CPCA wish for all eleven market towns to be interconnected as part of a plan to enable future prosperity for Cambridgeshire.
- 2.8 A detailed report of each market town will allow appropriate development options to be considered which can enable local economic growth, preserve identity and enhance heritage opportunities.
- 2.9 Appendices 1-3 are in draft form only at the time of drafting this report and the commentary below reflects the summary of the drafts and the input of officers.

### **3. OPTIONS CONSIDERED/ANALYSIS**

#### **3.1 Huntingdon's Consultation was structured upon four areas:**

- Town centre
- Edge of town centre
- North Huntingdon
- Alconbury Weald

Town centre.

- 3.2 The opening statements in this report speak about Huntingdon's town square being a focal point. About developing the towns historical connections to bring increased visitor numbers. Enabling this space to encourage people to dwell. Cultural activity, the visitor economy and a re-vitalised evening economy with cafes bars and restaurants spilling out into the streets, especially during the summertime is the vision put forward. There is also the suggestion to make better use of vacant and poorly used space within the town centre by densifying the town centre. Accommodation designs would be aimed at both young professionals and older couples to drive up the population. This in turn would support and help drive the economy in the town centre.

Officer response:

- 3.3 We are mindful that the idea of linking the use of Wykeham House to the heritage of Cromwell and Huntingdon's historic past may be driven by the agenda of the Town council. There may be a limit to the Town's ability to support an acceleration of the evening economy, but redeveloping and re-purposing poorly used space in the St Benedict's Court and Bus



Station areas will have a key part to play. We also feel there may be opportunities for a Start-up incubator or KIBS space.

Edge Of Huntingdon.

- 3.4 The reports commentary speaks of transformation from taking a noisy and congested environment into one that allows expansion of the Town centre by creating attractive gateways for visitors. Observations are made around the “sense of arrival” at Huntingdon train station and the improvements that could be made. The ring road which acts as a collar, restricting natural growth and expansion. The river frontage is noted as being a natural asset which is currently underutilised for the benefit of the town unlike St Ives and arguably St Neots. The example of Hebden bridge is given which is seen as an opportunity to change the image of Huntingdon to make it a more attractive place which could bring in further investment. By intervening in the above three areas, this would allow for more active travel choices for walkers and cyclists creating health opportunities for people working and living in Huntingdon.

Officer response:

- 3.5 We asked simply about visitor moorings at Purvis marina at this stage but the consultants see the river as an key leisure opportunity, to centre “an offer” for the town. We have also highlighted the common lands and meadows and significance of the Ouse valley which have now been noted with associated eco-leisure activities but by giving these green zones a stronger identity we can act appropriately. Are the green zones there for ecological purposes or simply to separate the town centre from residential areas further away from the town?

North Huntingdon

- 3.6 This is seen as an area where the population will grow with increased employment and educational opportunity. Local stakeholder relationships are noted as playing a key role to help develop the community to ensure they can live, work and maximise greater health opportunities. The new community centre is seen as a significant community asset as is the continuing relationship with the developing Oxmoor programme. It is noted that interventions to create more healthy food choices and collaborations amongst stakeholders such as allotment growers, the grub hub and the regional college’s catering operation could create positive outcomes. Access to services via digital technology is seen as another opportunity with on-street Wi-Fi provision and access to training for those with lower digital skills.

Officer response:

- 3.7 An earlier draft of this report regarding healthy food choice was centred around a new and perhaps smaller supermarket within the Oxmoor, the viability of which we are not convinced by, given the number of supermarkets already present in Huntingdon. The opportunity to raise aspirations by means of education or employment and skills has been

completely missed in this element of the report. We would like to see more language around Huntingdon being a good place to both live and work and if Alconbury Weald is the place to provide these opportunities then a narrative around transport and infrastructure from North Huntingdon to Alconbury Weald would be helpful. We have economic data that spells out significant future growth in the digital sector in Hunts, this could link into investigating the expansion of “coding clubs” activity. One of which currently runs at Huntingdon Primary School.

#### Alconbury Weald

- 3.8 The enterprise zone at Alconbury Weald is described as a hub for companies in hi-tech sectors such as advanced manufacturing. Essentially this is a place that will provide the jobs of the future. The enterprise zone is the big growth opportunity for Huntingdonshire and the relationship it plays with Huntingdon and personnel at sites such as RAF Alconbury should be complementary. There are ambitions to expedite connectivity, initially with a guided bus which will morph into the Cambridge Autonomous Metro (CAM). Alconbury weald will be a location for business tourism, promoting key sectors and attracting businesses from the rest of the UK and abroad.

Officer response:

- 3.9 We asked the consultants to shape and provide case study material regarding business tourism which is a recently developed strategy of Central Government (Appendix 7). We wanted to understand what any emerging activity in this sector could look like at Alconbury Weald.

#### **St Ives Consultation was structured upon four areas:**

- A hub for innovative business
- Wyton Airfield
- A connected town with strong East-West links
- Public realm of the highest quality

A hub for innovative business

- 3.10 It is proposed that over time, that St Ives will become a vital component of the wider Cambridge economy, creating highly skilled jobs with good wages which will grow the economy of the town. Creating the environment for this to happen means enabling space for businesses to grow and succeed. By re-purposing land in St Ives town centre, an Innovation Hub is proposed, a development comprising business, retail and accommodation to suit younger workers and designed with active travel choices in mind. To enable this type of facility to flourish, effective networks will be established to include innovation champions which will act as “nodes”. The innovation champions will be deliberately selected from appropriate “Cambridge Networks”.

Wyton airfield as a strategic site

- 3.11 St Ives is the nearest market town to RAF Wyton and the airfield is no longer in use. We are encouraged to think further about the strategic potential for this site.

Officer response:

- 3.12 EMSI (Appendix 6) tells us that the digital sector is likely to be one of the strongest growing sectors in our local economy in the coming years. Overall, we believe there were approx. 120 business who registered for the first time in 2019 in the PE27 area against a total population of businesses of approx. 900 within this postcode. It will be important to investigate the concept of the hub against further business profiling to understand how the innovation hub, innovation champions and strategic site can best interact with one another. Wyton airfield – housing at scale as per the HLP 2036

A connected town with strong East-West links

- 3.13 The report states that economic potential in St Ives can be released by relieving transport constraints in multiple directions. This includes strengthening the guided busway infrastructure in both directions by offering express services to Cambridge and Huntingdon with a long-term vision of the guided busway morphing into the CAM. Improved connectivity across the Gt Ouse via a third river crossing and a review of Harrison Way at the junction where it meets the A1123. The consultants also feel that St Ives, with its rich association with cycling dating back to 1877 could become the “Cycling capital of Cambridgeshire”

Officer response:

- 3.14 We have stressed throughout this process that a third river crossing should be built for the benefit of the wider area, not just for the benefit of St Ives or Huntingdonshire. We have shaped these ideas to nurture higher rates of long-term economic growth, but we also recognise that this should be balanced, by encouraging cars off the road to reduce congestion. This will provide improved health opportunities, air quality and active travel choices.

Public realm of the highest quality

- 3.15 Metro dynamics have position public realm by the definition defined by English Heritage. This definition defines all public spaces where the public has free access as well as the space in between buildings.
- 3.16 They argue that the difference between towns where it is pleasant to dwell, and the opposite is the use of public realm. Poor public realm can be characterised by a lack of “sense of place” an overabundance of cars (moving and parked) and a lack of green space.
- 3.17 In St Ives, the ideas put forward point to ensuring pedestrian priority in the Town Centre with a view to working to full pedestrian in selected areas. There is also a feeling that the mews in St Ives could provide an

enhanced experience for those dwelling and spending time in the town centre. Developing digital technologies such as on-street Wi-Fi could enable e-commerce opportunities for the towns independent retailers and support flexible working which could attract freelancers. Other innovations supporting walking and cycling could become apparent as well. It is recommended that the town should have footfall counters installed to help monitor the progress of any upgrade to the public realm.

- 3.18 There is also a recommendation to encourage more boater traffic to St Ives.

Officer response:

- 3.19 The case study described (Cobden Chambers Nottingham) utilised a vacant shop grant, that is no longer available. Therefore, we must be mindful that any commitment made to upgrade the public realm is achievable, manageable and in line with improvement schemes / funding that can realistically be leveraged and achieved.

- 3.20 The Ramsey consultation was structured upon six areas. Three cited as strengths and the remaining three as weaknesses.

Strengths

- Heritage
- Waterways
- Community Spirit

- 3.21 Weaknesses

- Connectivity / Isolation
- Health Outcomes
- Employment

Strengths

Heritage

- 3.22 The Key proposal placed forward by Metro Dynamics is the restoration of Abbey House as the major heritage asset for Ramsey to help establish and grow its tourism activity. There are several issues set around the current lease to Ramsey Abbey School, the investment needed to restore the house to enable a change of use. And then the question of who might take on the building next?

Officer response:

- 3.23 We have questioned whether the family and school willing partners in this idea, which we understand they are.

Waterways

- 3.24 Another major recommendation is to restore the Great Whyte Watercourse back to its former use by removing the culvert (the road)

which currently covers this feature. Since 2012, Approx. £1.2 Million has been spent by CCC maintain the culvert. There is footfall data to support the argument that people currently shop and visit Ramsey stopping briefly. This intervention is designed to create a feature to encourage “dwell time” in the town for resident and visitors. There are green shoots mentioned, suggesting the high street is starting to adapt to change and this intervention intends to encourage more café culture in line with the experience economy. There are other interventions mentioned around developing access to the Great Fen and bringing more boater traffic to Ramsey.

Officer response:

- 3.25 We have asked the consultants to provide evidence of their discussions about daylighting the Great Whyte with highways, environment agency and Middle level commissioners (Appendix 4) We have also asked about the size of the waterway and mentioned the relationship with HGV traffic using this area of the town. The consultants believe the open river and infrastructure surrounding it will help calm traffic and discourage use by companies.

Community Spirit

- 3.26 As a result of the Ramsey Million project which started in 2012, people in Ramsey have started “working together” instead of “overlapping” generating a feeling of positivity. The consultants feel that in the face of population challenges, Ramsey’s community spirit can play a central part to help future proof the community. It is by creating a welcoming community and embedding newcomers to that community, is an approach that could work. Developers are taking interest in Ramsey and securing housing would be the principal solution to a decline in population.
- 3.27 The ageing population is also a challenge in Ramsey. Building on some of the local schemes that have already reached out to the elderly and vulnerable is the task ahead. The case study evidenced, illustrates how loneliness could be tackled but physical infrastructure and transport connectivity including the bus network have also been identified as issues for this demographic.
- 3.28 There are questions over the Ramsey Million scheme post 2023 – based around funding but it is recommended that the Discover Ramsey website is kept running to support the heritage and volunteer events.

Weaknesses

Connectivity / Isolation

- 3.29 Ramsey is currently too remote across many different modes of connectivity. Making the status quo work in the long term is deemed unsustainable so exploring new options to improve connectivity are recommended.

- 3.30 Innovative Full Fibre Cycleways with the facility to have fibre cables placed into them is one option described along with a better model for the bus network. Long-term modelling a by-pass than strengthens the high street rather than damaging it is noted as well as a HGV covenant which some businesses including G's Fresh have already signed up to.

Officer response:

- 3.31 The wider issue of connectivity also touches skills, how will students who leave Ramsey Abbey travel to FE institutions. Business, skills, connectivity and infrastructure have a symbiotic relationship.

Health Outcomes

- 3.32 Health is a challenge in Ramsey, weight and diabetes are of concern. If we want everyone to live healthy lives, we need to enable people to make healthy choices. The consultants remark that other elements of this report promote good health. Cycleways, restoring the waterway which is proven to encourage good mental health and counteracting the link between loneliness and isolation.

- 3.33 This section talks about direct interventions in light of CPIER recommendation #9 - An opportunity area for health and specifically mental health and active lifestyles. There is commentary about widening healthy food choices on the high street and improving the cycling infrastructure.

Officer response:

- 3.34 There is a narrative throughout the various PFG reports about cycling and infrastructure which will enable healthy and active travel choices. There is an opportunity to re-balance the high street offer in light of the high proportion of take-away food outlets in the town.

Employment

- 3.35 It is commented that more employment opportunities are needed to be created in Ramsey as more residential development occurs. Out-commuting is accepted but more employment opportunity should also be created. The Ramsey Gateway site is seen as key for creating employment and it is recommended that the Combined Authority and Hunts DC identify potential businesses to ensure the commercial development (second phase) occurs, not just the first phase which is retail.

- 3.36 Lifelong learning to benefit school age children seeking A levels and NVQ's and employees requiring training and upskilling opportunities.

Officer response:

- 3.37 Ramsey Gateway has been sold on to new ownership from the original local developers. Why? Prior to identifying businesses wishing to move to Ramsey, it may be prudent to understand why the original developers decided to pass on this opportunity. We may learn in the process if the site is deemed an attractive offering to commercial businesses. We have identified skills as a missing piece of the current jigsaw in Ramsey, more information around outcomes and ambition would add value.
- 3.38 The summaries above are based on draft documents (available at the time of writing this report). Each PFG report sets out to understand what makes each of these towns unique. What we may wish them to look like in ten, twenty, even fifty years' time. It asks what are the big things that need to happen to secure a prosperous future for the residents in each town
- 3.39 These PFG reports aim to set out a vision for each place and provide an overview of what each town is like. Metro Dynamics have achieved this by working with partners in each location and drawing on a broad analysis of all available data.
- 3.40 Together these lead to a list of key priorities in each market town, which if acted upon, provide an opportunity to transform Huntingdon, St Ives & Ramsey.

#### **4. COMMENTS OF OVERVIEW & SCRUTINY**

- 4.1 The comments of the Overview and Scrutiny Panel (Performance and Growth) will be presented in a separate appendix prior to its consideration by the Cabinet.

#### **5. CONSULTATION DETAIL AND OFFICER RESPONSE**

- 5.1 These are not consultation documents but it is important that HDC, as a key stakeholder in the development of these documents, alongside the town teams, are engaged and support the wider agendas for Huntingdon, St. Ives and Ramsey.
- 5.2 It is important to note that HDC is one of many stakeholders with a shared interest in the ambition to improve economic prosperity within our towns but the responsibility to delivery the ambition of PFGs does not rest solely with HDC.

#### **6. TIMETABLE FOR IMPLEMENTATION**

- 6.1 This information is being sought from the CPCA. Approval of the final PFG reports is expected at the CPCA's board meeting in March with a delivery programme to be shaped thereafter.

#### **7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 7.1 The Corporate Plan includes a work programme and actions that include:

- Supporting new and growing businesses and promoting business success
- Supporting economic growth in market towns and rural areas
- Influencing the development of the Highways and Transport Infrastructure Strategy
- Facilitating the delivery of infrastructure to support housing growth
- Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need
- Support people to improve their health and well-being

## **8. LEGAL IMPLICATIONS**

8.1 None. This is a CPCA document and not a statutory document for plan making purposes.

## **9. REASONS FOR THE RECOMMENDED DECISIONS**

9.1 To ensure the PFG accurately reflect our future ambitions for the towns of Huntingdon, St Ives and Ramsey.

9.2 Supporting the CPCA's business plan stating that each Market Town will have a plan setting out future economic growth potential and highlighting the strategic intervention.

9.3 These reports compliment recommendations made in [CPIER](#). and the [Local Industrial Strategy](#) for Huntingdonshire.

9.4 Considering the above, it is recommended that:

The Cabinet is recommended to endorse support for on the attached reports (appendices 1, 2 and 3) and delegate authority to finalise the Council's final comments on these reports to the Service manager – Growth, in consultation with the Executive Leader and Deputy Executive Leader, Managing Director and Corporate Director (Place).

## **10. LIST OF APPENDICES INCLUDED**

Appendix 1 – Prospectus for growth Huntingdon

Appendix 2 – Prospectus for growth St Ives

Appendix 3 – Prospectus for growth Ramsey

## **11. BACKGROUND PAPERS**

### **CPIER**

<https://www.cpier.org.uk/media/1672/cpier-report-151118-lowres.pdf>

### **Local Industrial Strategy**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/818886/Cambridge\\_SINGLE\\_PAGE.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge_SINGLE_PAGE.pdf)



## **Huntingdonshire Local Plan**

<http://www.huntingdonshire.gov.uk/media/3872/final-adopted-local-plan-to-2036.pdf>

## **Public Realm Definition**

[https://www.designingbuildings.co.uk/wiki/Public\\_realm](https://www.designingbuildings.co.uk/wiki/Public_realm)

### **CONTACT OFFICERS**

Name/Job Title: Clara Kerr – Service Manager Growth  
Tel No: 01480 388430

Name/Job Title: Paul Gibbons, Economic Development Officer  
Tel No: 01480 388074  
Email: [paul.gibbons@huntingdonshire.gov.uk](mailto:paul.gibbons@huntingdonshire.gov.uk)

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

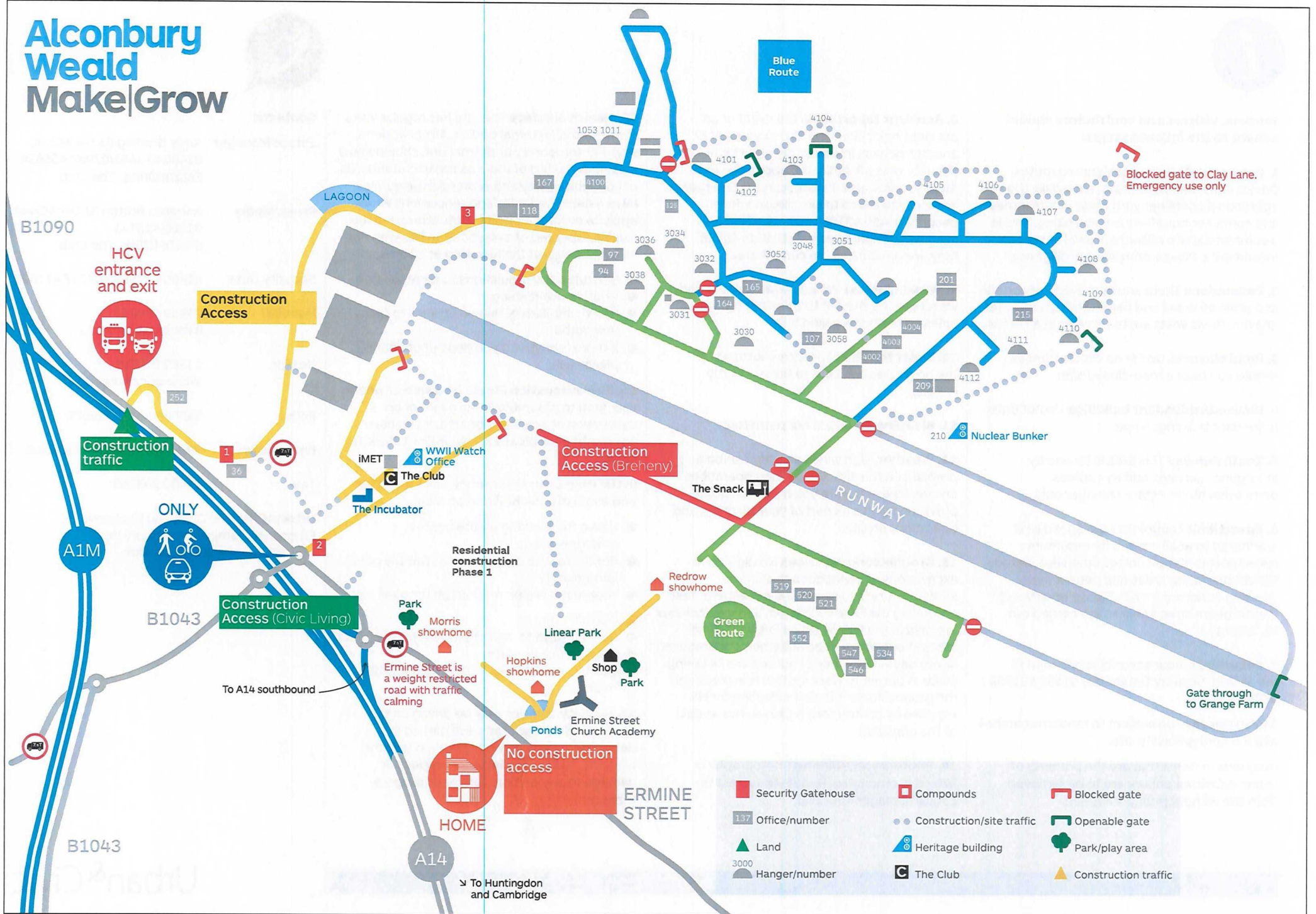
This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank







**Tenants, visitors and contractors should adhere to the following rules:**

**1. Estate roads** Follow designated routes. Do not enter tenanted areas, especially the operational container yard areas where lorries and container box lifters are operating. This is a commercial site with a high level of vehicle movements. Please exercise due diligence.

**2. Pedestrians** There are few pavements on site and grassed areas and hardstanding areas are uneven. Hi-vis vests are to be worn at all times.

**3. Road closures** Under no circumstances should you pass a road-closed sign.

**4. Disused/redundant buildings** Do not enter redundant buildings/areas.

**5. South Runway** This area is for use by emergency services and by express permission of the Estate Manager only.

**6. Speed limit** Ensure that the speed limit is adhered to at all times. The maximum speed limit is 30mph unless otherwise stated. Forklift operating areas and pedestrian crossing areas are 5 mph. Please be advised that frequent speed checks are carried out by Security.

**7. Security** 24-hour security is provided to the airfield. Security Gatehouse 01480 431568 / 07717 477528.

All Vehicles may be subject to random searches when entering/leaving site.

No goods or items that are the property of Urban & Civic Alconbury are to be removed from site without prior permission.

**8. Accident reporting** In the event of an accident or incident (on site) to yourself or another person, immediately report it to Security who will notify the appointed First Aider to assist you (if necessary). If Emergency services are called to site please inform Security 01480 431568 / 07717 477528 as soon as possible to ensure that on arrival they are directed to the correct area.

**9. Drinking water** We advise all tenants and visitors to the site not to drink the tap water, unless it has been boiled first.

**10. Toilet facilities** Toilets are located on the north side adjacent to Building 4105 (Vindis).

**11. Sleeping on site** is not permitted.

**12. Weather** High winds and fog can be a problem on the airfield affecting operations on site. Please ensure you make adequate provision for this as part of your planning and operations on site.

**13. Groundworks/services** No digging or excavations or connection to existing infrastructure is to be carried out without first consulting the Estate Manager. Service drawings are held in the Estate Office Full written risk assessment and method statements are required seven days in advance of agreed works taking place. A permit to work system is in place and the ground subject to CAT scanning for HV supplies by contractors T-Clarke. This at cost to the applicant.

**14. Photography/filming** Photography or filming is prohibited. Requests subject to Estate Manager approval.

**15. Health & Safety** This site has regular visits from internal/external bodies. All co-workers, whether temporary or permanent, should know what is expected of them as regards standards of conduct, quality and professionalism. We have established rules and regulations which apply to everyone on site. Mutual respect and trust is expected of everybody. In line with our values we expect the following at all times:

- Site rules and regulations to be respected
- Good housekeeping
- Health and Safety responsibilities to be respected
- If there is anything you don't understand, please ask.

**16. Fire evacuation** Please be aware of where you need to assemble in the event of an evacuation of a building or area. If you have any doubt at all please ask your Fire Officer for advice.

**In the case of an emergency raise the alarm and evacuate the building or area.**

- Leave the building by the nearest emergency exit
- Report to your designated assembly point immediately
- Your name will be marked off for a roll call.
- DO NOT run
- DO NOT stop to collect personal belongings
- DO NOT use any lifts
- DO NOT re-enter your building until safe to do so.

**17. Liability** Vehicles may be driven on the designated access roads and parked in designated areas only on condition that the landlord shall not be liable for any loss or damage to any person, vehicle or property thereon.



**Contacts**

<b>Estate Manager</b>	Andy Brading (Urban&Civic) 01480 413141/07967 555634 Estate Office, The Club
<b>Press/Media</b>	Rebecca Britton (Urban&Civic) 01480 413141 Estate Office, The Club
<b>Security Gate</b>	01480 431568 / 07717 477528
<b>Hospital</b>	01480 416416 (Hinchbrook)
<b>Doctor</b>	01480 890281 (Alconbury Surgery)
<b>Police</b>	01480 456111 (South)
<b>Emergency</b>	999 (Police/Fire/Ambulance)
<b>Taxi</b>	01480 263263

**Urban&Civic** The Club, The Boulevard  
Enterprise Campus, Alconbury Weald  
Huntingdon, Cambs PE28 4XA

**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Integrated Performance Report, 2019/20 Quarter 3

**Meeting/Date:** Overview and Scrutiny (Performance and Growth) Panel, 5 February 2020

**Executive Portfolio:** Councillor Jonathan Gray, Executive Councillor for Resources  
Councillor Jon Neish, Executive Councillor for Strategic Planning

**Report by:** Business Intelligence and Performance Manager and Finance Manager

**Wards affected:** All

---

### RECOMMENDATION

The Overview and Scrutiny Panel is invited to comment on details of delivery of Corporate Plan key actions and corporate indicators, current projects and financial performance information from the Cabinet report attached.



**HUNTINGDONSHIRE DISTRICT COUNCIL**

<b>Title/Subject Matter:</b>	Integrated Performance Report, 2019/20 Quarter 3
<b>Meeting/Date:</b>	Cabinet, 13 February 2020
<b>Executive Portfolio:</b>	Councillor Jonathan Gray, Executive Councillor for Resources Councillor Jon Neish, Executive Councillor for Strategic Planning
<b>Report by:</b>	Business Intelligence and Performance Manager and Finance Manager
<b>Ward(s) affected:</b>	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 October to 31 December 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 31 December 2019. It provides outturn figures for revenue and the capital programme. Headlines are:

**Revenue** – the forecast outturn shows underspend of £0.569m

**Capital programme** – the forecast outturn shows a net underspend of £2.056m

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 3 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 December, 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 December.
- 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 18 projects which are open, pending approval or pending closure, and none logged which have recently closed.
- 2.3 This report also incorporates financial performance to the end of December. 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 3 will be submitted to Cabinet following the Panel's meeting on 5 February 2020.
- 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 3. **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 3 progress in delivering Key Actions for 2019/20:

Status of Key Actions	Number	Percentage
Green (on track)	21	70%
Amber (within acceptable variance)	9	30%
Red (behind schedule)	0	0%
Awaiting progress update	0	0%
Not applicable	0	

Most key actions were on track at the end of Quarter 3. None were significantly behind schedule. Examples of recent progress on actions being delivered include:

- The adoption of the Huntingdon Neighbourhood Plan, with Bury moving towards a referendum (KA 6)
- An industrial estate litter audit and layby bin installations (KA 8)
- New Economic Development Officer and Economic Development Analyst roles filled (KAs 12 & 13)
- Feasibility reports completed on redevelopment of the Bus Station Quarters in St Ives and Huntingdon (KA 15)
- Business Case for St Neots Future High Street Funding being developed, with final submission due by the end of June 2020 (KA 19)
- Impressions Fitness Studio equipment replaced at St Neots, St Ives and Ramsey plus One Leisure Sawtry provision transferred and secured for two years (KA 21)
- Increased income from Phoenix Court industrial property lease renewals (KA 25)
- Funding from Local Government Association grant to support use of voice bot technology to improve customer access to information (KA 29)

3.5 Quarter 3 results for 2019/20 Corporate Indicators are shown in the following table, with full results shown in Appendix B:

<b>Corporate Indicator results</b>	<b>Number</b>	<b>Percentage</b>
<b>Green (achieved)</b>	29	67%
<b>Amber (within acceptable variance)</b>	9	21%
<b>Red (below acceptable variance)</b>	5	12%
<b>Awaiting progress update</b>	0	0%
<b>Not applicable (annual/data unavailable)</b>	0	

The majority of performance indicators were on track at the end of Quarter 3. However, there were five where performance was below an acceptable variance.

The Red indicators related to a range of services. A brief summary is listed below, with more detail in Appendix B.

- PI 28. A cost award against the Council followed a successful appeal against a Development Management Committee refusal contrary to officer recommendation (the target was zero cost awards against us in these circumstances).
- PI 29. Energy use is 3.4% higher than at the same point last year and the year-end forecast is a 10% increase on total use last year (the target was a 5% decrease). Operations have linked this to colder weather so far this year.
- PI 34c. Only 21% of comparable results from the Staff Survey improved over the 2018 results, with 71% worse. While we missed our target for improvement in half of results, 86% of 2019 results remained better than recorded in 2017.
- PI 38. Avoidable contact has increased compared to last year. A delay in integrating forms for Operations services has affected performance. Future reductions in avoidable contact are expected through development of the Customer Portal.
- PI 43. There have been three late responses to Stage 2 complaints. Low numbers of Stage 2 complaints mean this indicator won't recover by the year end.

Indicators where services are performing better than target include the following:

- PI 1. The annual target for volunteering days has already been achieved with support from Countryside Services and One Leisure Active Lifestyles.
- PI 4. The Council is ahead of target on the number of successful homelessness preventions, contributing to fewer people needing to be housed in temporary accommodation (as per commentary against KA 5).
- PI 7 and PI 8. We are ahead of target in the number of sessions delivered at/by our One Leisure facilities and by our Active Lifestyles Team.
- PI 11. Sampling shows that 87% of areas have been graded as clean or predominantly clean compared to less than 78% at the same point last year, despite seasonal leaf fall affecting recent performance.
- PI 17. The proportion of household waste recycled/reused/composted is up on the previous year and currently ahead of target at 62.9%.
- PI 27. Over the last two years the Council has successfully defended up to 70% of planning application refusals at appeal and so far this year just 6% of appeals have been allowed against the Council.
- PI 30. Business rate collection remains ahead of target at 86% for the year to date.
- PI 33. Staff sickness levels remain better than target and the year-end outturn is forecast to be significantly lower than recorded in 2018/19.
- PI 35 and PI 36. Call Centre and Customer Service Centre satisfaction rates are high (89% and 95% respectively), reflecting positive feedback from individuals.

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

<b>Corporate project status</b>	<b>Number</b>	<b>Percentage</b>
<b>Green (progress on track)</b>	10	56%
<b>Amber (progress behind schedule, project may be recoverable)</b>	6	33%
<b>Red (significantly behind schedule, serious risks/issues)</b>	2	11%
<b>Pending closure</b>	0	
<b>Closed (completed)</b>	0	

There are six 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, two were Red at the end of Quarter 3; both were shared service projects. Unrealistic timeframes have been a common theme for amber/red flags, as well as a lack of up to date governance documentation. Reasons for not meeting original target dates have been explored at a joint session with all project managers and discussions have taken place regarding the 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 £16.588m which is an underspend of £0.569m. 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 £4.9m giving an underspend of £2.0m. 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.

	<b>Budget £000</b>	<b>Forecast outturn gross £000</b>	<b>Transfers to / (from) reserves £000</b>	<b>Forecast outturn net £000</b>	<b>Forecast (underspend) / overspend £000</b>	<b>Main reasons for variance</b>
Chief Operating Officer	4,260	3,812	105	3,917	(343)	<ul style="list-style-type: none"> <li>Additional Income from planning applications and licensing; salary savings due to vacancies</li> </ul>
ICT	2,145	2,118	(50)	2,068	(77)	<ul style="list-style-type: none"> <li>Contractual variations</li> </ul>
Planning Policy Manger	908	796	(125)	671	(237)	<ul style="list-style-type: none"> <li>Additional CIL income; additional funding secured for posts; salary savings</li> </ul>
Housing Manager	154	184	(72)	112	(42)	<ul style="list-style-type: none"> <li>Salary vacancies</li> </ul>
Leisure and Health	(20)	56	25	81	101	<ul style="list-style-type: none"> <li>Cost associated with transfer of Sawtry to CMAT</li> </ul>
Operations	3,852	4,573	(210)	4,363	511	<ul style="list-style-type: none"> <li>CCTV costs with BT due to termination of analogue CCTV network; Rental for 3<sup>rd</sup> floor as Pathfinder House; impact of free after 3pm during December</li> </ul>
Resources	5,144	4,595	(53)	4,542	(602)	<ul style="list-style-type: none"> <li>Increase rental income; reduction in MRP; transfer of consultancy costs to capital projects</li> </ul>
Directors and Corporate	815	788	0	778	(37)	
Transformation	(101)	381	(325)	56	157	Impact of SLT restructure; off set by salary savings in Corporate and Chief Operating Officer
<b>Total</b>	<b>17,157</b>	<b>17,293</b>	<b>(940)</b>	<b>16,588</b>	<b>(569)</b>	

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 £x.xm 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 £4.9m, an underspend of £2.0m. The gross expenditure to 31 December 2019 was £3.8m (37.7% of Budget, 75% of the year).

<b>Variation Commentary Summary</b>		<b>£000s</b>
<b>Overspend</b>		
	<p><b>Alms Close Development</b>            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 scheme spending profile, as per the contract, will result in a re-phase being required and this is shown in the re-phase section of this table.</p>	728
	<p><b>CCTV Camera Replacements and Wi-Fi</b>            This scheme has had to issue number of variation orders relating to the layout and capability of the control room, equipment and to the networking of all the cameras throughout the district (the original plan to use a cable network could not proceed and changes required to enable the cameras to run on a BT network increased costs).</p>	105
	<p><b>One Leisure Impressions Fitness Equipment</b>            Due to identified structural issues at OLSI to the load capacity of the floor and IT costs has added £38,500 to the cost of this project. Without the remedial structural improvements, the equipment installation would not have been possible.</p>	39

	<b>Cash Receipting Software</b> Work to complete touch-tone phone payments for customers to pay invoices.	19
	<b>Oak Tree Development</b> Work on the planning for the Oak Tree Development has commenced. Most of this is funded from grant but a small amount of additional expenditure is being incurred.	19
	<b>Minor Scheme Overspends:-</b> The following schemes are expected to show a small overspend on completion:-	6
	One Leisure St Neots Synthetic Pitch	9
	Commercial Property Roofs (Health & Safety Work)	7
	FMS Archive	3
	Insurance Settlement Eastfield House	2
	Fencing Work	
	<b>Total Overspend</b>	<b>937</b>
<b>Growth</b>		
	<b>Insurance Settlement – Eastfield House Fire</b> 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
	<b>Salix Building Efficiency</b> 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
	<b>Travellers Security Improvements</b> 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.  Based on the report, detailing the background to incursions and current challenges, £50,000 has been allocated for this scheme. However, delays in sourcing materials will mean that £20,000 will be spent in 2020/21 rather than in 2019/20 and this variance is included in the Rephase section of this table.	50
	<b>Oaktree Centre Remedial Work</b> The Council owns the Oak Tree Centre on the Oxmoor, with the property	50

	<p>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> <p>The link between this scheme and the Oak Tree Car Park development scheme has delayed the start and so most of the expenditure will now be in 2020/21</p>	
	<p><b>One Leisure St Ives Outdoor Fitness Offering</b></p> <p>The construction of the Training shed is well underway, with the new facility being opened on 15 March. Cabinet approved a new capital cost of £450K in June 2019 to reflect an enhanced facility with greater income generating potential. The total project cost is £500K but will be offset to £450K with the £50K CIL contribution.</p>	200
	<b>Total Growth</b>	<b>314</b>
<b>Underspend</b>		
	<p><b>Re-Fit Projects</b></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>	(53)
	<p><b>Disabled Facilities Grants</b></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 contributions from tenants and other organisations are forecast to be (£49,000). Based on commitments, a small saving on expenditure of £15,000 is expected.</p>	(249)
	<p><b>VAT Partial Exemption</b></p> <p>The current indication is that the authority will be below the HMRC threshold for exempt activity and so we will not have to pay this amount out.</p>	(169)
	<p><b>Minor Scheme Underspends</b></p> <p>The following schemes are expected to show a small underspend on completion:-</p> <ul style="list-style-type: none"> <li>CCTV Pathfinder House Resilliance (8)</li> <li>One Leisure St Neots Pool (7)</li> <li>OL Ramsey 3G Pitch (7)</li> <li>Vehicle Fleet Replacement (10)</li> <li>Wheeled Bins (10)</li> </ul>	
	<b>Total Underspend</b>	<b>(513)</b>

<b>Rephase</b>		
	<b>Robotics</b> It is now expected that £27k of expenditure will be incurred in 2020/21.	(27)
	<b>Income Management Software</b> Work on this project has not yet begun and will not start until 2020/21.	(62)
	<b>Travellers Security Improvements</b> This growth item is being re-phased due to problems sourcing materials	(20)
	<b>One Leisure Improvements</b> Some 2020/21 items, e.g. upgrade to fire alarms, have been brought forward to ensure compliance with the latest regulations and, in the case of the refurbishment of the Training Shed designated changing room, to improve the customer experience.	40
	<b>Alms Close Development</b> The scheme spending profile, as per the contract, will result in a re-phase being required into 2020/21.	(1,243)
	<b>Oaktree Centre Remedial Work</b> The link between this scheme and the Oak Tree Car Park development scheme has delayed the start and so most of the expenditure will now be in 2020/21	(958)
	<b>Energy Efficiency Works at Commercial Properties</b> Delays in producing a schedule of works to meet EPC standards	(24)
	<b>Parking Strategy</b> The installation of the new equipment is taking longer than anticipated and so £64k of the scheme's budget will need to be re-phased to 2020/21. Currently, following negotiations with the contractor over costs, a small saving of £15k on this project is likely to be realised in 2020/21.	(64)
	<b>Bridge Place Car Park</b> Delay in agreeing the sale of Bridge Place car park so most of the scheme costs will be incurred in 2020/21	(384)
	<b>Operations Back Office</b> Scheme is in progress but will not complete until 2020/21	(29)
	<b>Minor Scheme Rephases:-</b> The following schemes are expected to require re-phasing to 2020/21:- Lone Worker Software Health & Safety Works at Commercial Properties	(20) (3)
	<b>Total Rephase</b>	<b>(2,794)</b>
	<b>Total Net Expenditure Overspend/Underspend()</b>	<b>(2,056)</b>

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 3, the financial projections for the CIS are:

<b>CIS Investments</b>	<b>Budget (£'000)</b>	<b>Outturn (£'000)</b>	<b>Variance (£'000)</b>
<b>Cash Investments</b>			
CCLA Property Fund	(162)	(165)	(3)
<b>Total Cash Investments</b>	<b>(162)</b>	<b>(165)</b>	<b>(3)</b>
Property Rental Income	(5,580)	(4,791)	789
MRP	1,997	581	(1,416)
<b>Net Direct Property Income</b>	<b>(3,583)</b>	<b>(4,210)</b>	<b>(627)</b>
Management Charge	144	36	(108)
<b>Total Property Investments</b>	<b>(3,439)</b>	<b>(4,174)</b>	<b>(735)</b>
<b>TOTAL</b>	<b>(3,601)</b>	<b>(4,339)</b>	<b>(738)</b>

### 6.3 Investments

From October to December 2019, 41 properties have been investigated as potential CIS investment opportunities, bringing the total investigated for the year so far to 131. The purchase of Trilink 140 (Unit 4 Freeway Drive, Castleford), is the only acquisition completed this year. A number of in-district opportunities have been considered recently including two multi-let retail properties in Huntingdon, one of which is under consideration. 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

## 7. COMMENTS OF OVERVIEW & SCRUTINY PANELS

7.1 Comments from the Panel meeting on 5 February 2020 will be published as a supplementary agenda item for the Cabinet meeting on 13 February 2020.

## 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 December, 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 3, 2019/20

**Appendix B** – Corporate Plan Performance Report, Quarter 3, 2019/20

**Appendix C** – Project Performance, December 2019

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

**Annex A** – Revenue Provisional Outturn and Service Commentary, December 2019

**Annex B** – Capital Programme Provisional Outturn, December 2019

**Annex C** – Capital Programme Funding 2019/20

**Annex D** – Financial Dashboard, December 2019

**Appendix E** – Register of reviews of CIS investment propositions, Quarter 3, 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)

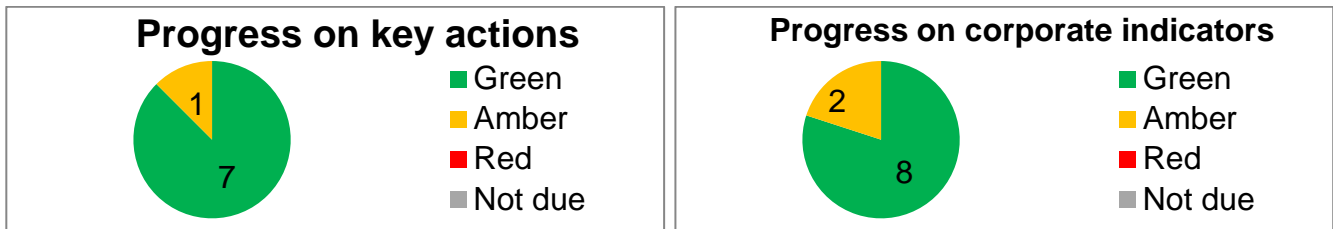
Claire Edwards, Finance Manager ☎ (01480) 388822



## Performance Summary Quarter 3, 2019/20

### People

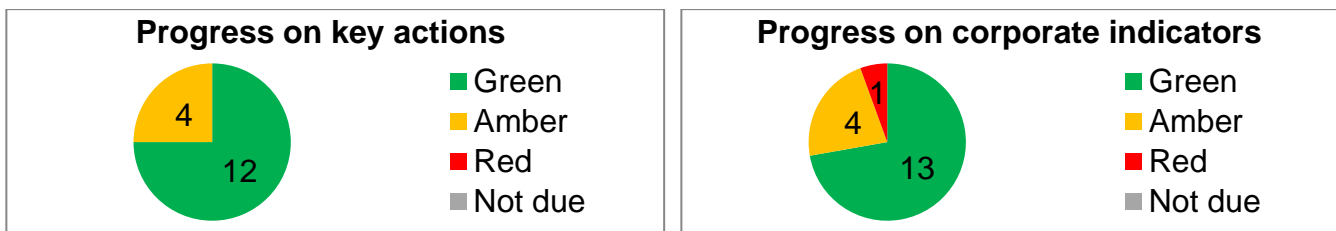
We want to make Huntingdonshire a better place to live, to improve health and well-being and for communities to get involved with local decision making



Highlights include a reduction in the number of households in temporary accommodation.

### Place

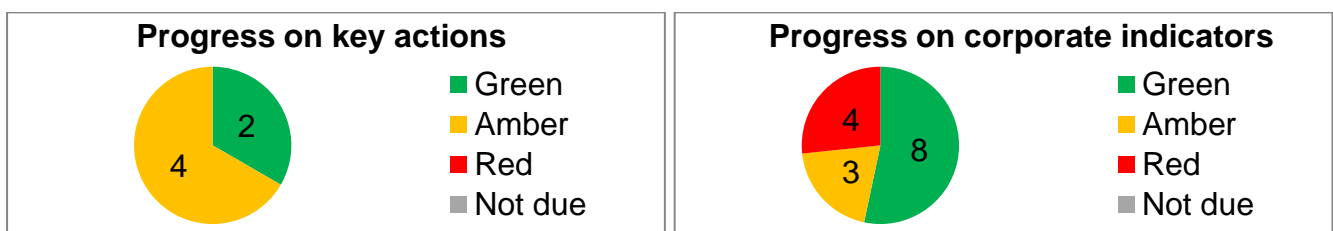
We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing



Highlights include the appointment of new officers in the Economic Development Team.

### Becoming a more efficient and effective council

We want to continue to deliver value for money services



Highlights include a high customer satisfaction rating for our Customer Service Centre (95%).

This page is intentionally left blank

## STRATEGIC THEME – PEOPLE

Period October to December 2019

## Summary of progress for Key Actions

<b>G</b>	Progress is on track	<b>A</b>	Progress is within acceptable variance	<b>R</b>	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

<b>G</b>	Performance is on track	<b>A</b>	Performance is within acceptable variance	<b>R</b>	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
<b>G</b>	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	External funded pilot project with Department for Work and Pensions and Active Lifestyles to provide 50 free places to people not in work on the ESCAPE pain management course (£1,000). Cambridgeshire and Peterborough NHS Foundation Trust Pulmonary Rehabilitation Team working with

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					Active Lifestyles to establish successful Community Maintenance classes to help NHS demand and introduce new users to One Leisure and generate new income stream.
G	KA 2. Provide financial assistance to people on low incomes to pay their rent and Council Tax	Ongoing	Cllr Gray	Amanda Burns	On-going support is being given to people. Where people are claiming Universal Credit, we ensure that they are aware they have to contact HDC to get help paying their Council Tax.
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	Jon Collen	Continuation of Homelessness Trailblazer programme with increased roll out of earlier interventions and pathways across a wide range of agencies. The partner organisations have agreed to fund the Trailblazer programme until Sept 2020 to allow a wider review of how these activities can be added to mainstream services.
A	KA 4. Adopt a new Homelessness Strategy and a new Lettings Policy	Strategy Dec 2019 Lettings Policy by March 2020	Cllr Fuller	Jon Collen	Homelessness review & strategy to go through Member processes in February. Lettings Policy review is a combined piece of work with the Home-Link partnership and outcomes are being delayed until after local elections in those areas that are holding them. So will be post-May 2020.
G	KA 5. Identify and implement solutions to eradicate the need to place homeless families in B&Bs	Ongoing	Cllr Fuller	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 scheme likely to deliver late 2020 whilst the other is not currently progressing. End of Q3 figures in terms of number of households in temporary accommodation reduced to 115 compared to 133 at the end of Q2 - with 6 households in B&B.

**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 Neish	Clara Kerr	Huntingdon Neighbourhood Plan adopted; Bury moving toward referendum.
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 Prentice	Community - Finlay Flett	Community Chest awards for 2019/20 awarded in July 2019. 2020/2021 cycle will open in the new financial year.
G	KA 8. Support and encourage community action on litter and waste	Ongoing	Cllr Prentice / Cllr Beuttell	Neil Sloper	Activity includes Great British Spring Clean organised, Recycling Litter Bin Town Centre trial, Industrial Estate Litter Audit, Layby Bin Installations.

## Corporate Performance and Contextual Indicators

### Key to status

<b>G</b>	Performance is on track	<b>A</b>	Performance is within acceptable variance	<b>R</b>	Performance is below acceptable variance	<b>?</b>	Awaiting performance update	<b>n/a</b>	Not applicable to assess performance
----------	-------------------------	----------	---	----------	--	----------	-----------------------------	------------	--------------------------------------

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 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	3,323	3,000	4,128	<b>G</b>	4,001	4,128+	<b>G</b>
Comments: (Operations / Leisure and Health) The annual target has already been met this year, with 3,128 volunteering days relating to Countryside Services activities and 1,000 relating to One Leisure Active Lifestyles activities such as Health Walks.								
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	23 days	24 days	23 days	<b>G</b>	24 days	24 days	<b>G</b>
Comments: (Revenues & Benefits) The number of new Housing Benefit claims being received continues to decrease due to the roll out of Universal Credit. Council Tax Support claims received remains steady.								
PI 3. Average number of days to process changes of circumstances for Housing Benefit and Council Tax Support (cumulative year to	4 days	4 days	5 days	4 days	<b>G</b>	5 days	4 days	<b>G</b>

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
date) Aim to minimise								
Comments: (Revenues & Benefits) The types of change being processed have changed due to Universal Credit. We are looking to automate some of the Department for Work and Pension notifications received as these have increased by over 50% during the last year.								
PI 4. Number of homelessness preventions achieved (cumulative year to date) Aim to maximise	405	279	315	364	G	420	470	G
Comments: (Housing Needs & Resources) Increased early notifications of homelessness threats, through improved pathways and referral mechanisms has led to higher numbers of successful preventions.								
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) Aim to maximise	44,984	43,860	44,985	44,340	A	45,500	45,500+	G
Comments: (Leisure and Health) Q3 Performance slightly below target as expected due to closures of the fitness studios for equipment refurbishments. This refresh is expected to increase members through Q4 higher than previous years. Targets also included a full year of operation at the Sawtry facility now run via management agreement between Stevenage Leisure Ltd and Cambridge Meridian Academies Trust.								
PI 6. More people taking part in sport and physical activity: Number of individual One Leisure Active Lifestyles service users over the last 12	7,162 (inc. Park Run)	5,496	2,403	3,320	G	2,959	3,600	G

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
months (rolling 12 months) Aim to maximise								
Comments: (Leisure and Health) Target for 2019/20 removes Park Run figures as now sustainable as a community activity.								
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)  Aim to maximise	12,435	9,822	8,100	10,042	G	11,600	13,500	G
Comments: (Leisure and Health) Reduction in fitness classes (slight) to make more profitable but more activity sessions especially for younger people being delivered.								
PI 8. Providing more opportunities for people to be more active: Number of sessions delivered by One Leisure Active Lifestyles (cumulative year to date)  Aim to maximise	3,818	2,663	2,195	2,540	G	3,730	3,730	G
Comments: (Leisure and Health) Additional classes added to group exercise class programme, additional walking sports activities for the new year and new under 5's activities including Mini-Athletes.								
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	1,412,670	1,016,135	1,100,000	1,094,750	A	1,516,380	1,500,000	A



Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
admissions) (cumulative year to date)  Aim to maximise								
Comments: (Leisure and Health) Targets are due to be adjusted for the reduction in Sawtry members following the transfer of the operational management of this facility in late 2019.								
PI 10. People participating more often: One Leisure Active Lifestyles throughput (cumulative year to date)  Aim to maximise	57,683 (inc. Park Run)	41,591	35,565	42,877	G	50,716	55,000	G
Comments: (Leisure and Health): Group exercise classes continuing to grow; walking sports doing very well; new sessions to cater for growing demand across service increasing attendances in general.								

## STRATEGIC THEME – PLACE

Period October to December 2019

### Summary of progress for Key Actions

<b>G</b>	Progress is on track	<b>A</b>	Progress is within acceptable variance	<b>R</b>	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
<b>12</b>		<b>4</b>		<b>0</b>		<b>0</b>		<b>0</b>	

*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

<b>G</b>	Performance is on track	<b>A</b>	Performance is within acceptable variance	<b>R</b>	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
<b>13</b>		<b>3</b>		<b>2</b>		<b>0</b>		<b>0</b>	

### 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
<b>G</b>	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 Beuttell	Neil Sloper	Great British Spring Clean organised, 3 Green Flag applications put forward, Draft Healthy Open Spaces Strategy received.
<b>G</b>	KA 10. Reduce incidences of littering through targeting of enforcement work	Ongoing	Cllr Prentice	Community - Finlay Flett	Local work continues to focus on repeat fly-tipped areas. Work by HDC is to be incorporated in Channel 5 programme "Life of Grime" in the Spring.

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 11. Review air pollution activities to reflect new national Clean Air Strategy	Ongoing	Cllr Prentice	Community - Finlay Flett	National clean air strategy awaited. Once released, local actions will be tailored to this.

### 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	Clara Kerr	Recruitment of new Economic Development Officer and Economic Development Analyst. Reviewing information from the Cambridgeshire and Peterborough Independent Economic Review, Local Industrial Strategy and labour market data from EMSI.
G	KA 13. Implement measures to grow Business Rates	Ongoing	Cllr Fuller	Clara Kerr	2 new officers in Economic Development posts. Proactive engagement with Cambridgeshire and Peterborough Combined Authority. Analysing and implementing measures identified in Economic Review, Local Industrial Strategy and EMSI reports.
G	KA 14. Engage and communicate with local businesses through the Better Business For All initiative	Ongoing	Cllr Prentice / Cllr Fuller	Myles Bebbington	Better Business for All food safety animation completed due for roll out on website January 2020.
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	Nigel McCurdy	Initial feasibility reports completed by Carter Jonas. Progress continues to refine potential scheme specifications and content, with master planning briefs prepared and procurement exercises conducted to assemble potential professional teams for next phases of work to deliver proposed investable/deliverable schemes. Discussions and due diligence on potential land assembly option continue and ongoing assessment of Commercial Investment Strategy potential and/or regeneration policy approach.

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 16. Deliver the actions resulting from the Council's Off Street Car Parking Strategy	Ongoing	Cllr Beuttell	Neil Sloper	Final phase of installation to be complete by end of the financial year. Preparation work for installation of final machines is taking place at Eastifeld House, with officers signing off on individual setup to mitigate risk of install errors.

**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 / Cllr Neish	Clara Kerr	HDC actively involved in steering the A141/ St. Ives Study; officers also actively engaging with the CA in respect of the 3rd river crossing and subsequent decision making around next steps. Summary of asks of CA and priority areas for future prepared; Clara Kerr to join Nigel McCurdy in regular meetings with Rowland Potter of CA re transport and HDC.
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	Clara Kerr	Purdah delayed for St Ives, Huntingdon and Ramsey still on course to meet CA timetable and will go through February Cabinet cycle. 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.
A	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)	Ongoing	Cllr Neish	Clara Kerr	HDC actively involved in steering the A141/ St. Ives Study; officers also actively involved with 3rd river crossing (3RC) discussions. Summary of asks of CA and priority areas for future prepared; Clara Kerr to join Nigel McCurdy in regular meetings with Rowland

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
	and the local road network to deliver the specific requirements of the Council				Potter of CA re transport. CA now meshing 3RC with A141 with potential delay to issuing outcomes of the A141/ St. Ives Study.
<b>A</b>	KA 20. Set out timetable for preparation of an updated Section 106 Supplementary Planning Document and Community Infrastructure Levy charging schedule and implement	June 2020	Cllr Neish	Clara Kerr	Delays due to late responses from stakeholders; Future High Street Fund is also a priority with draft business case due by mid-March (final in June) so date will move to later 2020.
<b>G</b>	KA 21. Deliver capital/community projects to provide more leisure and health facilities in the district	Ongoing	Cllr Palmer	Jayne Wisely	Impressions Fitness Studios replacement equipment completed at St Neots, St Ives and Ramsey, including access control gates to prevent unauthorised entry. Training Shed on schedule at St Ives Outdoor Centre. One Leisure Sawtry provision transferred over to Cambridge Meridian Academies Trust / Stevenage Leisure Limited and secured two years ongoing provision for the community.

**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
<b>A</b>	KA 22. Adopt and implement Housing Strategy annual Action Plan	October 2019	Cllr Fuller	Clara Kerr	The preparation of the Action Plan is deferred pending a review of wider housing options in terms of provision of affordable housing and other types of housing.
<b>G</b>	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	Clara Kerr	The Council has a 5YHLS and has not been challenged to date.

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
G	KA 24. Facilitate delivery of new housing and appropriate infrastructure	Ongoing	Cllr Fuller / Cllr Neish	Clara Kerr	Large-scale major planning applications granted within agreed timescales. Ongoing discussions with Cabinet around Community Infrastructure Levy (CIL) governance with a view to a further round of CIL spend in coming months.

## Corporate Performance and Contextual Indicators

### Key to status

<b>G</b>	Performance is on track	<b>A</b>	Performance is within acceptable variance	<b>R</b>	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
----------	-------------------------	----------	---	----------	--	---	-----------------------------	-----	--------------------------------------

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 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%	77.85%	80%	87%	<b>G</b>	80%	85%	<b>G</b>
Comments: (Operations) Seasonal leaf fall affecting figures in Nov/Dec slightly.								
PI 12. Percentage of street cleansing service requests resolved in five working days (cumulative year to date)  Aim to maximise	97.66%	97.53%	85%	94%	<b>G</b>	85%	90%	<b>G</b>
Comments: (Operations) Ongoing efficient allocation of work is providing good customer service.								
PI 13. Number of missed bins per 1,000 households (cumulative year to date)  Aim to minimise	0.73	0.72	0.75	0.81	<b>A</b>	0.75	0.8	<b>A</b>
Comments: (Operations) December's missed bins have resulted in the year-to-date result at the end of Q3 being higher than target. The								

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
increase in missed bins is likely to be the result of a change in collection days over the Christmas period and staff changes on collection rounds.								
PI 14. Percentage of grounds maintenance works inspected which pass the Council's agreed service specification (cumulative year to date)	85.5%	82.8%	82%	98%	G	82%	85%	G
Aim to maximise								
Comments: (Operations) The service is taking a more proactive approach to jobs allocation.								
PI 15. Percentage of grounds maintenance service requests resolved in five working days (cumulative year to date)	93.5%	93.5%	85%	80%	A	85%	85%	A
Aim to maximise								
Comments: (Operations) We are expecting an uplift in calls as the growing season starts which will balance out the average.								
PI 16. Percentage of successful environmental crime enforcements (cumulative year to date)	100%	100%	100%	100%	G	100%	100%	G
Aim to maximise								
Comments: (Community) The statistics reflect the percentage of fixed penalty notices issues which are subsequently paid.								
PI 17. Percentage of household waste recycled/reused/composted (cumulative year to date)	58.39%	61.5%	58%	62.9%	G	58%	58%	G
Aim to maximise								



Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Comments: (Operations) We have collected 50,645 tonnes of waste in the year to date, of which 31,831 tonnes have either been recycled or composted.								
PI 18. Percentage of food premises scoring 3 or above on the Food Hygiene Rating Scheme (latest result)	97%	97%	95%	97%	G	95%	97%	G
Aim to maximise								
Comments: (Community) All higher risk visits to food premises completed. 132 out of 143 planned visits completed for quarter.								
PI 19. Number of complaints about food premises (cumulative year to date)	126	95	120	95	G	150	125	G
Aim to minimise								
Comments: (Community) Issues have been identified with the data previously reported by the service for this PI, which included service requests (e.g. bookings for Food Hygiene courses) and complaints about non-related matters. As such, work has been undertaken to filter out relevant complaints about food premises only and to recalculate historic results and re-model the target based on past performance, trends and resources. The 95 complaints about food premises received between 1 April and 31 December 2019 and were spread fairly evenly over Q1-3, with 29 received in Q3.								
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	50	106	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 Q3 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.								

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
PI 21. The percentage of Community Infrastructure Levy (CIL) collected when due (cumulative year to date) Aim to maximise	N/a – new measure	N/a - new measure	No target set	31%	G	No target set	No target set	G
Comments: (Development) 23 Demand Notices received payments; 19 Paid on time and 4 Paid in the next month.								
PI 22. Percentage of planning applications processed on target – major (within 13 weeks or agreed extended period) (cumulative year to date)  Aim to maximise	80%	81%	79%	80%	G	79%	80%	G
Comments: (Development) In Q3 Development has dipped slightly below the bottom range of the target this is due to a number of resignations in planning during this quarter (4 senior planners in total). The overall performance under 'Majors' for the year to date remains strong under the circumstances at 80% of majors determined in time.								
PI 23. Percentage of planning applications processed on target – minor (within 8 weeks or agreed extended period) (cumulative year to date)  Aim to maximise	81%	78%	80%	78%	A	80%	81%	G
Comments: (Development) The cumulative performance to the end of Q3 has dipped slightly again due to a high number of resignations over a short period of time. Confident that the department can recover this as 'Minors' remains solid despite staff shortages and due to the continuous hard work of all DM staff.								
PI 24. Percentage of planning applications processed on target – household extensions	90%	86%	89%	89%	G	89%	89%	G

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
(within 8 weeks or agreed extended period) (cumulative year to date) Aim to maximise								
Comments: (Development) Right on target and anticipating a 'Green' status outturn by financial year end.								
PI 25. Number of new affordable homes delivered in 2019/2020 (cumulative year to date)  Aim to maximise	269	194	333	329	A	360	393	G
Comments: (Development) As reported in the previous quarter, there is an increase in the number of affordable homes we expect to complete this year due to projects coming forward earlier than expected. The number to be completed may increase yet further but some are due to complete towards the very end of the year so may slip into 2020/21.								
PI 26. Net growth in number of homes with a Council Tax banding (cumulative year to date)  Aim to maximise	N/a – new measure	N/a - new measure	No target set	792	G	No target set. Defer to Annual Monitoring Report.	1,003 (AMR projection)	G
Comments: (Development) The Annual Monitoring Report (AMR) reported in December 2019 is 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 1,003 dwellings to be constructed up to March 2020. The AMR December 2019 is consistent with the trajectory in the AMR 2018 and is a conservative estimate taking into a number of factors including economic factors and absorption rates.								
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	30%	6%	G	TBC	30%	G

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
Aim to minimise								
Comments: (Development) The Council has consistently managed to successfully defend up to 70% of their refusals at appeal over the last two years - this is evident of consistently good decision making and therefore we are confident that we can keep the total number of appeals allowed as a percentage of the total number of planning applications refused over the 2019/20 year to under 30%.								
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	0	1	R	0	1	R
Aim to minimise								
Comments: (Development) The Dignity Crematorium appeal was allowed with costs awarded against the Council following a Development Management Committee decision to refuse the application against the officer's recommendation which was to approve the application.								

## STRATEGIC THEME – BECOMING A MORE EFFICIENT AND EFFECTIVE COUNCIL

Period October to December 2019

### Summary of progress for Key Actions

<b>G</b>	Progress is on track	<b>A</b>	Progress is within acceptable variance	<b>R</b>	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
2		4		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

<b>G</b>	Performance is on track	<b>A</b>	Performance is within acceptable variance	<b>R</b>	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
8		3		4		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
<b>G</b>	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	Assistant Director (Corporate Services)	Continuing to re-let units as they become vacant with lettings completed at All Saints Passage, Levellers Lane and Alms Close x2 in Q3 . Lease renewals completed at Phoenix Court bring total new income so far this year to £56.3k p.a. A further £10k of annual income has been approved an in legals. Other “one off” income has been secured from release of restrictive covenants and granting of wayleaves etc

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
					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 Keane	Tony Evans	The restructure resulting from senior management changes has completed and the Business Change and Transformation functions have been successfully combined. Work continues to develop a programmatic approach to governance of change within the organisation and communication around the available support. This will support the growth of a culture of change management.
G	KA 27. Develop the Council's approach to performance management and business intelligence	Ongoing	Cllr Gray	Tony Evans	Work is continuing to make better use of new technology available through Council Anywhere to reduce duplication and improve efficiency in monitoring and reporting on performance across services. The Operational Board is reviewing service performance and finances monthly with a focus on improving productivity.
A	KA 28. Deliver the Council Anywhere project to introduce new digital technology and ways of working remotely to improve productivity and flexibility for staff	March 2020	Cllr Keane	Sam Smith / John Taylor	The roll-out of new Council Anywhere devices continues around the Council. Over 430 devices have been provided to staff, who are seeing benefits from this new technology. A major change to the network infrastructure was delivered in Nov/Dec which led to some slowing of releases. This is now complete and remaining services will receive their equipment by end of Q4.

### 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
A	KA 29. Develop our Customer Portal to offer improved online and out of hours access to our services	Ongoing	Cllr Keane	Michelle Greet / Tony	Work continues to develop the portal and bring more services into the portal to enable out of hours operation and access to information. The portal will

Status	Key Actions for 2019/20	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
	and work with partners to deliver better multi-agency customer services			Evans	be supplemented by voice bots technology funded by a Local Government Association grant. The current focus of effort is in developing a cultural of digital thinking within services to enable them to engage with the portal directly.
A	KA 30. Introduce a new electronic pre-application planning advice service	Ongoing	Cllr Neish	Jacob Jaarsma	Updating our revised pre-application charges against market evidence is a key outstanding action before we can roll out the new electronic pre-application service. However following recent resignations in planning and resultant staff shortages it is unrealistic to roll out a brand new electronic paid for pre-application service with increased fees, in the service during this transition, as the customers will expect a high level of service especially if we are increasing our charges. Aim to roll out new paid for service in May 2020 dependant on success with recruitment.

## Corporate Performance and Contextual Indicators

### Key to status

<b>G</b>	Performance is on track	<b>A</b>	Performance is within acceptable variance	<b>R</b>	Performance is below acceptable variance	<b>?</b>	Awaiting performance update	<b>n/a</b>	Not applicable to assess performance
----------	-------------------------	----------	---	----------	--	----------	-----------------------------	------------	--------------------------------------

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 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)	6,901,967 kWh	6,556,869 kWh	7,136,041 kWh	<b>R</b>	9,710,467 kWh (5% down on 2018/19)	11,265,569 kWh (10% increase on 2018/19)	<b>R</b>
Comments: (Operations) Overall energy use is currently 3.4% higher than at the same point last year. While a proper analysis has not been completed, Degree Day data (weather correction data) indicates that so far the weather has been colder in 2019/20 than 2018/19, indicating the need to use more energy to heat buildings.								
PI 30. Percentage of Business Rates collected in year (cumulative year to date)  Aim to maximise	98%	87%	85%	86%	<b>G</b>	98%	98%	<b>G</b>
Comments: (Revenues & Benefits) The team continues to monitor accounts to ensure early action is taken where necessary to avoid arrears.								
PI 31. Percentage of Council Tax collected in year (cumulative year to date)  Aim to maximise	98.4%	87.0%	87.0%	86.7%	<b>A</b>	98.4%	98%	<b>A</b>
Comments: (Revenues & Benefits) Performance is not on target and it is unlikely to recover by the end of the financial year. There is no								



Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
obvious reason for this but further analysis will be undertaken to identify (if possible) why, including internal processes and external factors.								
PI 32. Percentage of invoices from suppliers paid within 30 days (cumulative year to date)	92.1%	93.2%	98%	88%	A	98%	92%	A
Aim to maximise								
Comments: (Resources) Work with teams processing orders and invoices has continued to speed up payment times, the result for quarter 3 has improved on quarter 2 (86%).								
PI 33. Staff sickness days lost per full time employee (FTE) (cumulative year to date)	9.2 days/FTE	7.2 days/FTE	6.5 days/FTE	4.8 days/FTE	G	9.0 days/FTE	7.5 days/FTE	G
Aim to minimise								
Comments: (Resources) The cumulative and forecast performance remain better than target despite an increase in sickness recorded between October and December 2019. Quarter 3 performance is in line with past results as sickness generally increases over winter months. Further information will be included in the Workforce Report scheduled for February's Employment Committee.								
PI 34c. The percentage of Staff Survey results improved (one off annual result)	85%	85%	50%	21%	R	50%	21%	R
Aim to maximise								
Comments: (Transformation) 21% of comparable results in this year's Staff Survey were better than in 2018. Although 71% of comparable results were worse than the previous year, there had generally been large improvements in 2018 and the vast majority (86%) of 2019 results remained better than in 2017.								
PI 35. Call Centre telephone satisfaction rate (cumulative year to date)	88.8%	89.6%	80%	89.4%	G	80%	87%	G
Aim to maximise								
Comments: (Customer Services) We are very pleased to have maintained a high level of customer satisfaction when helping customers on								

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
the phone. Positive customer comments have been passed to advisors.								
PI 36. Customer Service Centre satisfaction rate (cumulative year to date)	92.7%	N/a	80%	95.3%	G	80%	90%	G
Aim to maximise								
Comments: (Customer Services) Most of our team take calls as well as seeing customers face to face, so we are pleased to see customer responses are positive for both channels.								
PI 37. Percentage of calls to Call Centre answered (cumulative year to date)	82.0%	88.5%	80%	85%	G	80%	80%	A
Aim to maximise								
Comments: (Customer Services) We are in the process of recruiting seven new staff members which will put service levels under pressure in the final quarter of the financial year as we have to take some experienced staff off the phones to support our new starters. We have two staff members on maternity leave and the majority of leavers have been due to promotion and finding jobs with higher pay. During Q4, Customer Services are also dedicating resource to implementing the Dynamics Customer Relationship Management system replacement ready for the deadline June 2020 when Dynamics support runs out. These two challenges combined mean that service levels will be missed in Q4 and customers will experience longer wait times. However we expect to meet our service level targets for the financial year as a whole. We will have a full complement of staff for Q1 in 2020/21.								
PI 38. Percentage reduction in avoidable contacts (cumulative year to date)	-14.6% (compared to 2017/18)	-0.051	-15%	2%	R	-15%	0%	R
Aim to maximise								
Comments: (Customer Services) The reduction in avoidable contact has stopped since the 14.6% fall we saw last year. The introduction of the integrated Operations forms has been delayed until the first two quarters of 2020 due to delays in the implementation of the Yotta system in Operations. We continue to expand the online customer portal and as the integrations go online we expect to see further reductions in avoidable contact.								

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 2019/20 Status	Annual 2019/20 Target	Forecast Outturn 2019/20 Performance	Predicted Outturn 2019/20 Status
PI 39. Percentage of households with customer accounts generated (latest result)  Aim to maximise	1.8%	N/a	N/a	9.8%	G	8.0%	9.8%+	G
Comments: (Customer Services) Based on the 7,682 accounts which we know are linked to Huntingdonshire addresses, we have already achieved our annual target. We now have 8,379 customer accounts created on the OneVu portal, although a small proportion are linked to addresses outside our district and addresses have not been provided for just over 500 accounts. We are currently doing further work to identify where those signing up to accounts live as well as which accounts are active. This measure may fluctuate as we improve the accuracy of the data we are able to retrieve from the portal.								
PI 40. Percentage of Stage 1 complaints resolved within time (cumulative year to date)  Aim to maximise	85%	84%	90%	86%	A	90%	85%	A
Comments: (Customer Services) Development and Operations have had a number of Stage 1 complaints responded to late this quarter (7 out of 16 for Development and 10 out of 23 for Operations were late) so year to date performance has fallen. We are now at risk of not meeting our annual target though we are currently ahead of 2018/19 performance.								
PI 41. Percentage of Stage 2 complaints resolved within time (cumulative year to date)  Aim to maximise	81%	81%	90%	79%	R	90%	80%	A
Comments: (Customer Services) 11 out of 14 Stage 2 complaints have been responded to on time this year. Development missed the deadline for two complaints in Q3 and were also responsible for the other missed complaint earlier in the year. The majority of Stage 2 complaints this year have related to Development (10 of 14) and they have responded to just 70% of these on time.								

Performance Indicator	Full Year 2018/19 Performance	Q3 2018/19 Performance	Q3 2019/20 Target	Q3 2019/20 Performance	Q3 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 <2%	Overall <5% & Services within 10%	Overall - 3.3% Variance	G	Overall <5% & Services within 10%	(£0.57m)	G
Comments: (Resources) The forecast for Q3 remains as an underspend against budget, despite increased costs within Operations and Leisure, with additional income, salary savings and efficiencies.								
PI 43. Income generated from Commercial Estate Rental & Property Fund Income (cumulative year to date)  Aim to maximise	£3.6m	£3.1m	£2.7m	£4.0m	G	£3.3m	£5.0m	G
Comments: (Resources) Commercial Investment Strategy property acquisitions and a large amount of activity on asset management - rent reviews, lease renewals, lease re-gears - has grown income despite an increased number of small vacant units. There is a steady rate of interest and re-lettings.								

## Current Projects at December 2019 – Huntingdonshire District Council Services/Facilities only

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
One Leisure Ramsey - 3G Artificial Pitch	3G Artificial Pitch (2018/19 Capital programme)	31-Dec-18	31-Mar-20	A	<p>An extension of time has been requested and accepted by the Football Foundation. The deadline is now set as 31st January 2020 to have the leases signed and a contract in place with a pitch supplier. No further extensions will be given.</p> <p>The leases have had issues around security of tenure after 30 years and there is also Education and Skills Funding Agency sign off required.</p> <p>Browne Jacobson are acting on behalf of HDC with Football Foundation solicitors also involved</p> <p>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.</p> <p>A pre-meet will be scheduled to discuss build that cannot start until the lease is signed off.</p>	09-Jan-20	Leisure & Health	Jayne Wisely	Martin Grey
Commercial Estates – Health and Safety	Health and Safety (2018/19 Capital programme)	31-Mar-19	31-Mar-20	A	<p>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.</p>	02-Jan-20	Resources	TBC	Jackie Golby
Customer Portal	New Customer Portal	31-Oct-19	30-Jun-20	A	<p>Finalising Business As Usual (BAU) processes to enable services to request and develop future digital services.</p> <p>Creating needed BAU tools and capacity to support this.</p> <p>Delivery of Operations related forms waiting update from Yotta implementation project, Streets User Acceptance Testing scheduled for January.</p> <p>Design of Customer Relationship Management replacement solution ongoing but limited resource.</p> <p>Integration with Gov.UK Pay successful to enable payment handling in forms.</p> <p>Risks around eBilling alignment with new print tender.</p> <p>Analytics element waiting support from 3C ICT.</p>	01-Dec-19	Transformation	John Taylor	Tony Evans

## Current Projects at December 2019 – Huntingdonshire District Council Services/Facilities only

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
One Leisure St Ives - Outdoor Fitness Facility	Outdoor Fitness Facility (2018/19 Capital programme)	31-Jan-18	10-Feb-20	G	Construction element underway. Equipment and flooring ordered. On plan for soft opening 10.02.20. Marketing plan in progress. Prior to Xmas generation of noise around the new facility with pre-sales commencing after xmas	17-Dec-19	Leisure & Health	Jayne Wisely	Pete Corley
Alms Close, Huntingdon - Land development	Development of Land at Alms Close, Huntingdon	31-Oct-19	22-May-20	G	Senior Leadership Team approved scheme on the 20th August 2019 and again in September following a 2nd meeting. Approval from Stakeholder to be gained. Treasury and 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.	01-Oct-19	Resources	TBC	Carl Egonu
One Leisure Impressions - Equipment Refresh	Capital Refresh 2019/20 - Gym Equipment Refresh and Access Control	24-Dec-19	07-Dec-19	G	A separate management agreement has been drafted and will be sent to the college solicitors.	03-Jan-20	Leisure & Health	Jayne Wisely	Daniel Gammons
One Leisure St Ives Changing Rooms	Capital 2019/20	TBC	TBC	G		09-Jan-20	Leisure & Health	Jayne Wisely	Chris Keeble
Litter Innovation Fund	Introduce automated forms into business systems	TBC	TBC	G	Project is in the process of being initialised after Department for Environment, Food and Rural Affairs (DEFRA) funding received.	13-Dec-19	Operations	Neil Sloper	Kristie Wilson

## Current Projects at December 2019 – 3C ICT Projects where Huntingdonshire District Council is a customer

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
Council Anywhere	Council Anywhere	29-Jan-19	31-Mar-20	R	<p>Board Meeting took place 25/09/2019/ Overview of items requiring board decisions: Council Anywhere Training – Decision by board, for 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 – Decision by board, 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 3 Councils to maintain fairness and equality.</p> <p>RAG Status set to Red as timescales are tight and dependent on external supplier.</p>	30-Sep-19	3C Shared Services	Oliver Morley	Paul Ashbridge
Operations Back Office System - Yotta	Streets/Grounds/Recycling and Waste Services: Phase 1: Streets April 2019 / Phase 2: Grounds Sept 2019 / Phase 3: Waste Services May 2020 / 3C project across the three authorities.	14-Mar-19 (Phase 1)	31-Mar-20	R	<p>The supplier (IEG4) have timetabled the return of the eforms outside of the allotted timescales. There is a risk to the project as 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.</p> <p>The soft roll out for Street Cleansing started in December. As the system is live development of a new product with the supplier, a number of challenges have been experienced in getting things right. Full internal interoperability with the customer portal has been tested and proven.</p>	07-Jan-20	3C Shared Services	Joel Carre (Cambridge City)	Tony Allen

## Current Projects at December 2019 – 3C ICT Projects where Huntingdonshire District Council is a customer

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
Page 172 of 332					<p>Significant product development/deployment issues when deploying the product in the field have been escalated to the Product Director by the shared Cambridge City/South Cambridgeshire and HDC project board with an action plan and significant change in approach being put in place by the supplier. We are now re-assessing the priority of deployment as an implementation in Recycling and Waste management, based on the learning and templates from the deployment in the Greater Cambridgeshire (Cambridge City and South Cambridgeshire Districts) Waste Service, will be more beneficial for our residents and organisation. This assessment is being concluded in January. If agreed the board will decide to defer grounds until after the peak grounds season which now runs February through to September. A phased roll out of Recycling and Waste management if confirmed, will commence after Easter, the second major peak in service and service disruption due to bank holiday collections.</p> <p>A performance management report was delivered to overview and Scrutiny on the Performance of Grounds Maintenance, on 12th September which highlighted excellent performance with 94% of works completed to specification, 94% of service requests responded to within 5 days, cost per household has fallen from £6.20 in 17/18 to £4.46 in 19/20. This highlights how we need the IT system to be correct to not damage good service performance, hence the decision to delay until it is effective and can assist us with more service data, information and enhance existing service.</p>				



## Current Projects at December 2019 – 3C ICT Projects where Huntingdonshire District Council is a customer

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
Payment Card Industry Data Security Standards (PCIDSS)	Following recommendation from NCC Group who were invited to analyse what the 3 authorities need to do to become PCI DSS compliant, this project was implemented. 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).	31-Dec-18	30-Nov-19	A	Communication and ICT Security Policy has now been published Revised Process and Procedures documents have been distributed to staff.  * P2PE = Point-to-point encryption	30-Sep-19	3C Shared Services	Nigel Brown	Caroline Huggon
Consolidate Server Rooms	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.	12-Dec-17	30-Nov-19	G	Project complete.	06-Jan-20	3C Shared Services	Fiona Bryant (Cambridge City)	Peter Holmes

## Current Projects at December 2019 – 3C ICT Projects where Huntingdonshire District Council is a customer

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
Page 174 of 332	Eastnet MLL Migration	-	31-Mar-20	G	<p>The project scope can be broken down into 2 separate areas:</p> <ul style="list-style-type: none"> <li>• The core: In the past 3 months we've migrated the management of all WiFi access points, Public Service Network (PSN) connections for all 3 councils, DNS hosting &amp; management for all .gov and non .gov domains owned by the 3 councils. We've also migrated all 5 corporate firewalls and global protect remote working solutions for all 3 councils and council anywhere.</li> <li>• The edge: In the past 3 months we've got connections into around 40 sites across the 3 councils and cut over 28 that we've got ceases in with Virgin Media Business. We have around 20 sites still to get connected where we've encountered wayleave, civils or just sheer volume of connections going in across the partners of Eastnet. Extensions and unceases have been successfully put in place for the remaining 30 sites which will now need to be cutover by 30th June 2020 although we are planning to make sure this is completed by 1st April 2020.</li> </ul> <p>A great deal of progress has been made in the past 3 months and everyone connected to the project should be very proud of what has been accomplished in such a compressed timescale. There will be a renewed focus on the remaining 30 sites in January 2020.</p>	31-Jan-20	3C Shared Services	Oliver Morley	Peter Holmes
	Aruba ClearPass - Council Anywhere	Aruba ClearPass (Council Anywhere)	31-Dec-19	31-Jan-20	G	Project timetable now 100% dictated by Eastnet/MLL rollout to complete remaining sites.	06-Jan-20	3C Shared Services	Council Anywhere

## Current Projects at December 2019 – 3C ICT Projects where Huntingdonshire District Council is a customer

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager
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 environmental health systems with a single system. SCDC is leading on the project on behalf of the three Councils.	31-Mar-20	31-Mar-20	G	Kickoff – 8th January More contract discussions with Tascomi. Advised they need to re-submit, Tascomi resubmitted schedules. Tony and Sean met to review, which raised concerns, which were raised back with Tascomi. Sean has had a subsequent conversation with Idox. A further revision of the schedule has been received and reviewed with the contentious issues now removed. These are now accepted, just finalising one payment detail with the board. Contract – terms now accepted.	06-Jan-20	3C Shared Services	Trevor Nicoll (SCDC)	Tony Allen
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.	-	28-Feb-20	G	There are approximately 150 servers running Windows Server 2008 across the 3 councils. Services and applications hosted on these platforms will need to be migrated to a new platform and tested. An extension of Windows server support has been agreed. This reduces the urgency on some of the system migrations and allows extra time for replacement projects to come online. Digital team applications web servers “websrv5” and “websrv7” will need an extended support agreement. Northgate have been lined up to upgrade the HDC revs and bens servers to Windows 2016. Programme Office: Lifted from Weekly Highlight Report W/E 30/08/19 – Full Highlight Report not on Bitrix.	30-Sep-19	3C Shared Services	Alex Young	Peter Holmes

## Current Projects at December 2019 – Other Shared Service Projects where Huntingdonshire DC is a customer

Project Name	Project Description	Original End Date	Delivery Date	Status	Performance Summary	Last updated	Service Area	Project Sponsor	Project Manager	
Page 176 of 332	CCTV upgrade	CCTV Control Room, Camera and Network Upgrade	03-May-19	31-Mar-20	A	<p>All but 2 cameras in Huntingdon have been replaced , remaining require BT ethernet conversion to links ready that has been ordered. 11 more BT analogue circuits are now cancelled for St Neots that will save on future revenue costs for the service now Huntingdon almost completed. additional power ordered for other towns due to network design changes with utility company though may be issues with some locations if used for Xmas decorations and that may affect further rollout of some cameras and is being investigated.</p> <p>Programme Office: PM reports that project still Amber until digital camera rollout completed to allow assessment if existing targets can be met or need to be reviewed. Issues on roll out of Cambridge cameras continue due to complexity of permissions of listed buildings and associated negotiations. Huntingdon Complete, some issues in connecting up St Ives due to network provision organised by contractor which was escalated this week. Service is now connected to external internet to progress new system set up. Secondment established to achieve this by end March 2020. Difficulties in business continuity during network change over with work arounds in place. Legacy systems will be de-commissioned once new digital system set up. Service Planning of stabilised service underway.</p>	13-Dec-19	Operations	Neil Sloper	Eddy Gardner
	Outsourced Hybrid Mail & Printing Project	Outsourced Hybrid Mail & Printing Project	TBC	30-Aug-20	A	<p>Progress has been made. Plans to outsource printing are now moving at pace. HDC is partnering with Cambs City and our requirements have been produced. Decisions concerning TUPE transfer of a member of staff have been resolved and we expect responses to the contract to be received in March.</p>	10-Jan-20	Operations	John Taylor	Andy Lusha

## Financial Performance Monitoring Suite December (Quarter 3) 2019

### Executive summary

This report sets out the financial forecast for Quarter 3, based on information at the end of December, for revenue and capital. The headlines are:

**Revenue** - the forecast outturn is an estimated underspend of £0.569m when compared to the approved budget, which is £0.241m higher than the Q2 forecast.

All services except Operations, Leisure and Transformation are forecasting underspends which are arising mainly as a result of generating additional income or staff savings.

The overspend on Leisure is mainly due to the delay in and the additional cost of the transfer of Sawtry to CMAT, as well the delay in delivering the Training Shed project. The Operations overspend is mainly due to delays in implementing new income generation schemes and the increased cost of CCTV staffing. The Transformation overspend is offset with the underspend within Corporate Leadership Team due to staff that have been transferred from the old Corporate Team to Transformation.

**Capital Programme** – the forecast outturn is an estimated net underspend of £2.056m. Several schemes are now requiring a re-phasing of their expenditure profiles and this is moving £2.8m of expenditure to 2020/21.

**MTFS** – The MTFS has been updated as part of the 2020/21 Budget setting process and is about to be presented to Council for formal approval. At the end of the current MTFS period, 2023/24, the value of savings that still needed to be identified was £1.2m. The new MTFS sees this reduce to £0.5m at the end of 2023/24 and by the end of 2024/25 the value of savings that still need to be identified is £0.4m.

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	%		
<b>Revenue by Service:</b>										
Chief Operating Officer	3,438	4,260	3,812	0	105	3,917	●	(343)	●	-8.1
3C's ICT	2,120	2,145	2,118	(50)	0	2,068	●	(77)	●	-3.6
Planning Policy Manager	643	908	796	(125)	0	671	●	(237)	●	-26.1
Housing Manager	177	154	184	(72)	0	112	●	(42)	●	-27.3
Head of Leisure & Health	279	(20)	56	0	25	81	●	101	●	505.0
Head of Operations	4,615	3,852	4,573	(210)	0	4,363	●	511	●	13.3
AD Corporate Resources	4,998	5,144	4,595	(158)	105	4,542	●	(602)	●	-11.7
Corporate Leadership Team	774	815	778	0	0	778	●	(37)	●	-4.5
Transformation	270	(101)	381	(325)	0	56	●	157	●	155.4
<b>Net Revenue Expenditure</b>	<b>17,314</b>	<b>17,157</b>	<b>17,293</b>	<b>(940)</b>	<b>235</b>	<b>16,588</b>	●	<b>(569)</b>	●	<b>-3.3</b>
Contributions to/(from) Earmarked Reserves	(280)	0	(705)					(705)		0.0
Service Contribution to Reserves	3,274	3,285	3,854					569		17.3
<b>Budget Requirement (Services)</b>	<b>20,308</b>	<b>20,442</b>	<b>20,442</b>							
<b>Financing:-</b>										
Taxation & Government Grants	(11,841)	(11,664)	(11,664)					0		0.0
Contribution to/(from) Reserves	(17)	0	0					0		
<b>Council Tax for Huntingdonshire DC</b>	<b>(8,450)</b>	<b>(8,778)</b>	<b>(8,778)</b>							

**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 Quarter 3 Service Forecasts (Based on Actuals to 31/12/2019)**

Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
<b>Chief Operating Officer</b>											
79,981	Head of Development	86,788	79,928	(6,860)	-7.90	0	0	79,928	(6,860)	-7.90	
152,540	Building Control	152,540	152,540	0	+0.00	0	0	152,540	0	+0.00	
(406,290)	Development Management	(319,782)	(486,303)	(166,521)	+52.10	0	0	(486,303)	(166,521)	-52.10	This budget is seeing a number of complex pressures. Income from applications is higher than forecast (100k) showing demand is high. At the same time a number of vacancies have meant temporary additional resource has been brought in (will amount to 85k over a 4-5 month period) whilst recruitment is undertaken in a very competitive market. Finally, this budget also contains 83k cost awarded against the Council following an appeal that the Council lost (Proposed Dignity Crematorium outside Kings Ripton)
75,857	Head of Community	86,494	77,043	(9,451)	-10.90	0	0	77,043	(9,451)	-10.90	
322,804	Environmental Protection Team	314,123	319,489	5,366	+1.70	0	0	319,489	5,366	+1.70	
302,273	Business Team	260,290	283,133	22,843	+8.80	0	0	283,133	22,843	+8.80	Additional expenditure related to costs of Hamerton Zoo enquiry and coroners inquest Sept 19.
527,328	Community Team	584,272	554,799	(29,473)	-5.00	0	0	554,799	(29,473)	-5.00	Additional income in-year from fees and changes, combined within some savings due to recruitment vacancies at the start of the year.
103,342	Environmental Health Admin	142,673	97,637	(45,036)	-31.60	0	6,612	104,249	(38,424)	-26.90	Reduced expenditure due to vacancies. Appointments
2,000	Closed Churchyards	(13,000)	2,000	15,000	-115.40	0	0	2,000	15,000	+115.40	Unable to deliver the expected income for local levy due, recovery plan in place to get this delivered during 2020/21
(186,575)	Licencing	(104,812)	(170,091)	(65,279)	+62.30	0	0	(170,091)	(65,279)	-62.30	Additional income from licensing activities, transition to 3 yrly driver licences partially offset by increased in supplies and services, and salary costs
68,369	Corporate Health & Safety	105,509	64,687	(40,822)	-38.70	0	0	64,687	(40,822)	-38.70	Savings due to vacancies at the start of the year.
11,575	Emergency Planning	11,575	11,575	0	+0.00	0	0	11,575	0	+0.00	
97,813	Head of Customer Services	107,673	0	(107,673)	-100.00	0	97,813	97,813	(9,860)	-9.20	
(132,049)	Council Tax Support	(122,896)	(124,270)	(1,374)	+1.10	0	0	(124,270)	(1,374)	-1.10	
(218,318)	Local Tax Collection	(227,770)	(223,894)	3,876	-1.70	0	0	(223,894)	3,876	+1.70	
1,131,032	Housing Benefits	1,050,444	1,057,769	7,325	+0.70	0	0	1,057,769	7,325	+0.70	

Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
1,007,096	Housing Needs	1,066,215	1,006,995	(59,220)	-5.60	0	0	1,006,995	(59,220)	-5.60	£20k reduction in contribution to county-wide Homelessness Trailblazer programme for 2019/20 covered by carry forward of central government grant from 18/19. £30k in year saving due to delay in commissioning strategy with the County Council relating to housing related support services .
796,433	Customer Services	803,951	791,612	(12,339)	-1.50	0	0	791,612	(12,339)	-1.50	Minor savings on supplies and services
257,718	Document Centre	247,662	257,575	9,913	+4.00	0	0	257,575	9,913	+4.00	
(32,466)	Housing Miscellaneous	28,412	11,290	(17,122)	-60.30	0	607	11,897	(16,515)	-58.10	Additional income from plot sales
50,260	Chief Operating Officer	0	48,476	48,476	+0.00	0	0	48,476	48,476	+0.00	Impact of SLT restructure, partially off-set by savings on Head of Community and Head of Customer Services
<b>4,010,723</b>		<b>4,260,361</b>	<b>3,811,990</b>	<b>(448,371)</b>	<b>-10.50</b>	<b>0</b>	<b>105,032</b>	<b>3,917,022</b>	<b>(343,339)</b>	<b>-8.10</b>	
<b>3C's ICT</b>											
2,068,317	ICT Shared Service	2,145,425	2,118,317	(27,108)	-1.30	(50,000)		2,068,317	(77,108)	-3.60	Variance due to some differences in actual contract values in year from costs forecast at start of year.
<b>2,068,317</b>		<b>2,145,425</b>	<b>2,118,317</b>	<b>(27,108)</b>	<b>-1.30</b>	<b>(50,000)</b>	<b>0</b>	<b>2,068,317</b>	<b>(77,108)</b>	<b>-3.60</b>	
<b>Planning Policy Manager</b>											
127,226	Economic Development	181,240	178,141	(3,099)	-1.70	(51,000)	0	127,141	(54,099)	-29.80	(54k) to be reconciled from reserves.
505,548	Planning Policy	675,481	569,111	(106,370)	-15.70	(74,000)	0	495,111	(180,370)	-26.70	(£55k) additional CIL income; (18k) is for Local Pan work that would have otherwise come from reserves;74k for PM for bus stations work that will go to reserves; (25k) for S106 monitoring Alconbury Weald;(77k) additional funding secured to fund posts. (50k) salary savings due to vacancies. Remaining variance due to smaller amounts >£10k through budget.
28,033	Public Transport	26,100	22,957	(3,143)	-12.00	0	0	22,957	(3,143)	-12.00	
25,000	Transportation Strategy	25,000	26,000	1,000	+4.00	0	0	26,000	1,000	+4.00	
<b>685,807</b>		<b>907,821</b>	<b>796,209</b>	<b>(111,612)</b>	<b>-12.30</b>	<b>(125,000)</b>	<b>0</b>	<b>671,209</b>	<b>(236,612)</b>	<b>-26.10</b>	
<b>Housing Manager</b>											
115,393	Housing Strategy	154,297	183,251	28,954	+18.80	(72,000)	270	111,521	(42,776)	-27.70	(43k) due to vacancies
<b>115,393</b>		<b>154,297</b>	<b>183,251</b>	<b>28,954</b>	<b>+18.80</b>	<b>(72,000)</b>	<b>270</b>	<b>111,521</b>	<b>(42,776)</b>	<b>-27.70</b>	



Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
<b>Head of Leisure &amp; Health</b>											
											Across all Facilities Electricity is showing a £27k saving on last months forecast & £13k increase on Gas, resulting on a difference of £14k (saving) on last months forecast.
82,433	Head of Leisure & Health	83,463	83,225	(238)	-0.30	0	0	83,225	(238)	-0.30	
178,737	One Leisure Active Lifestyles	176,686	179,608	2,922	+1.70	0	0	179,608	2,922	+1.70	
125,435	One Leisure St Ives Outdoor Centre	79,221	122,005	42,784	+54.00	0	25,000	147,005	67,784	+85.60	We are forecasting that the Training shed will now cost us £18.5k, previously forecasted net nil. This months forecasts include Salaries, set up costs & income split out across the different subjective codes, which will not be fully recovered in year due to the delayed opening of the facility.
450,162	Leisure Centres Corporate	464,742	432,907	(31,835)	-6.90	0	0	432,907	(31,835)	-6.90	As previously reported. Savings on back office services salary costs.
121,588	One Leisure Management Team	121,299	147,546	26,247	+21.60	0	0	147,546	26,247	+21.60	Increased cost to this budget line due to Support Salary costs now being shown in this budget rather than shared as a propotion across all facilities. The overall position is net neutral,
(324,482)	One Leisure St Neots	(276,475)	(327,340)	(50,865)	+18.40	0	0	(327,340)	(50,865)	-18.40	As previously reported significant improvement in performance and £50K over budget - the results of the capital investment lowing through into greater throughput. Improvements on Budget in these area's :- Creche, Hospitality, Impressions and swimming. Behind budget in Indoor / Outdoor sports and fitness activities
(144,640)	One Leisure Huntingdon	(169,441)	(156,955)	12,486	-7.40	0	0	(156,955)	12,486	+7.40	As previously reported, the centre is performing better than previous YTD and an improving forecast on the previous months forecast by £12K, however under budget. An action plan is in place to drive up customer and business engagement. The main area's of underperformane are Indoor sports and fitness activities. A similar trend to OLSN.
(559,650)	One Leisure St Ives	(555,269)	(559,915)	(4,646)	+0.80	0	0	(559,915)	(4,646)	-0.80	
(10,980)	One Leisure Ramsey	(22,307)	(24,702)	(2,395)	+10.70	0	0	(24,702)	(2,395)	-10.70	

Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
151,466	One Leisure Sawtry	78,062	159,974	81,912	+104.90	0	0	159,974	81,912	+104.90	The £80K one-off payment to allow the transfer of OLS management to CMAT has been included in this forecast. This was approved at Cabinet on 8 October 2019. Following transfer there were additional adjustments to the out-turn figure. Removing the £80K, the facility out-turned £1,912 over budget with an additional 2 months of delayed operation.
<b>70,069</b>		<b>(20,019)</b>	<b>56,353</b>	<b>76,372</b>	<b>-381.50</b>	<b>0</b>	<b>25,000</b>	<b>81,353</b>	<b>101,372</b>	<b>+506.40</b>	
<b>Head of Operations</b>											
(56,189)	CCTV	(89,496)	(78,518)	10,978	-12.30	0	0	(78,518)	10,978	+12.30	Historic delay in digital camera implementation overcome in Q3, but anticipated income from +£11k HDC Ventures for 209/20 not able to be achieved as a result.
271,332	CCTV Shared Service	197,577	343,871	146,294	+74.00	0	0	343,871	146,294	+74.00	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 now terminated but only part-year saving achieved. Increased employee costs due to resolution of historic terms and conditions issues. +£30k one off HDC proportion of employee compensation costs associated with these terms and conditions, now resolved.
84,219	Head of Operations	81,762	84,354	2,592	+3.20	0	0	84,354	2,592	+3.20	
1,073,760	Green Spaces	1,024,402	1,254,871	230,469	+22.50	(179,109)	0	1,075,762	51,360	+5.00	£40k adverse impact of historic savings target which is not achievable. Additional sitework required on watercourses and drainage +£20k. DEFRA grant for stewardship larger than anticipated (-£10k)
253,629	Environmental & Energy Management	215,689	252,724	37,035	+17.20	0	0	252,724	37,035	+17.20	+£40k inability to fully offset Energy Officer role costs against energy efficiency measures following completion of ReFit programme this year. Property Services implementation will consolidate two roles into one for 2020.
770,319	Street Cleaning	734,433	801,857	67,424	+9.20	(31,024)	0	770,833	36,400	+5.00	Unavoidable water standpipe cost +£25k, Part achievement of Efficiency from Litter bin reduction +£15k.
18,230	Public Conveniences	18,400	23,506	5,106	+27.80	0	0	23,506	5,106	+27.80	

Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
2,434,496	Waste Management	2,386,322	2,410,723	24,401	+1.00	0	0	2,410,723	24,401	+1.00	+£15k Part achievement of income from developers for bin delivery (£20k of £50k estimate achieved) due to lag in developments being completed. +£40k pressure on waste disposal costs due increased trade waste sales. (-£21k) Increase in bulky refuse collections will see an increase in bulky refuse charges. (-£21k) Saving arising from vacancy in waste minimisation team, now recruited.
926,648	Facilities Management	748,344	844,262	95,918	+12.80	0	0	844,262	95,918	+12.80	+£5k investment in consultants for agreed remedial works to maintain St Ives Bus Station, remedial works to set next financial year. +£18k consultancy fees for a review of Facilities management and compliance, +£90k Income expectation for 3rd floor Pathfinder non-achievable set by Estates, +£10k Budget Bid by Community Services to impose license on bus operators will not progress, -£24k New furniture for PFH will not be needed in this financial year.
253,127	Fleet Management	265,383	252,215	(13,168)	-5.00	0	0	252,215	(13,168)	-5.00	Lower than anticipated cost of repairs to fleet, use of old vehicles for spare parts has been effective this year.
(35,079)	Markets	(64,782)	(25,758)	39,024	-60.20	0	0	(25,758)	39,024	+60.20	'+£36k due difficult trading period at the start of the year. Long term staff absence (now resolved) has required additional cover for safe operation of markets.
(1,595,798)	Car Parks	(1,666,364)	(1,591,167)	75,197	-4.50	0	0	(1,591,167)	75,197	+4.50	+£35k impact on income due to extended staggered project delivery of new machines and associated tariff changes enabling pay for what you use and +£40k investment in our towns through parking being 'Free After Three' on weekdays in December.
<b>4,398,694</b>		<b>3,851,670</b>	<b>4,572,940</b>	<b>721,270</b>	<b>+18.70</b>	<b>(210,133)</b>	<b>0</b>	<b>4,362,807</b>	<b>511,137</b>	<b>+13.30</b>	
<b>AD Corporate Resources</b>											
50,971	Head of Resources	88,731	66,216	(22,515)	-25.40	0	0	66,216	(22,515)	-25.40	-£22k salary savings due to Head of Resources vacant post
4,873,875	Corporate Finance	5,004,760	4,876,719	(128,041)	-2.60	0	0	4,876,719	(128,041)	-2.60	- £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

Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
995,269	Finance (Incl Payroll)	744,974	946,615	201,641	+27.10	0	45,000	991,615	246,641	+33.10	+ £31k: additional salary cost due to delay in Transformation change in respect of Payroll/HR processing. + £19k: Redundary Costs + £140k: 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.
481,393	Risk Management	480,571	481,390	819	+0.20	0	0	481,390	819	+0.20	
204,869	Legal	223,940	205,247	(18,693)	-8.30	0	0	205,247	(18,693)	-8.30	Estimated 3C Legal costs to be recovered by HDC.
865,229	Democratic & Elections	811,208	778,611	(32,597)	-4.00	0	59,540	838,151	26,943	+3.30	Increase postal costs due to General and By-Elections
420,140	HR Services	412,824	429,030	16,206	+3.90	(300)	0	428,730	15,906	+3.90	
151,344	Audit	143,125	151,788	8,663	+6.10	0	0	151,788	8,663	+6.10	
62,569	Procurement	25,534	58,969	33,435	+130.90	0	0	58,969	33,435	+130.90	Underachieved saving from Procurement transformation.
(3,372,185)	Commercial Estates	(2,792,450)	(3,399,907)	(607,457)	+21.80	(158,000)	0	(3,557,907)	(765,457)	-27.40	-£765k - Net impact of CIS income from recent CIS acquisitions and consequential MRP/Interest Payable savings. £85k of consultancy costs transferred to capital programme +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.
<b>4,733,474</b>		<b>5,143,217</b>	<b>4,594,678</b>	<b>(548,539)</b>	<b>-10.70</b>	<b>(158,300)</b>	<b>104,540</b>	<b>4,540,918</b>	<b>(602,299)</b>	<b>-11.70</b>	
	<b>Corporate Leadership Team</b>										
502,890	Directors	495,715	502,955	7,240	+1.50	0	0	502,955	7,240	+1.50	
289,547	Executive Support & Business Planning	319,032	275,433	(43,599)	-13.70	0	0	275,433	(43,599)	-13.70	The SLT restructure increased staff costs however, other staff have now been reallocated to Transformation and this has impacted the forecast and so staff savings are now showing. However, this is offset by an overspend on Transformation. Once the budgets have been moved, to reflect the new staff changes, the forecast will return to an overspend.
<b>792,437</b>		<b>814,747</b>	<b>778,388</b>	<b>(36,359)</b>	<b>-4.50</b>	<b>0</b>	<b>0</b>	<b>778,388</b>	<b>(36,359)</b>	<b>-4.50</b>	

Previous Months Forecast (Net)	Service Area	2019/20 Budget	Quarter 3 Gross Forecast	Gross Variance		Reserves		Quarter 3 Net Forecast	Net Variance		Comments on Variations Exceeding +/- £10,000
				£	%	From	To		£	%	
<b>Transformation</b>											
37,423	Transformation	(100,984)	381,249	482,233	-	(325,098)	0	56,151	157,135	+155.60	Expected savings from SLT restructure and Customer Portal project not being achieved this year. Also the reallocation of staff from the corporate team has added £60k to the forecast overspend but this is offset by forecast savings within the Corporate Leadership Team. Budgets will be moved to reflect these recent staff changes
<b>37,423</b>		<b>(100,984)</b>	<b>381,249</b>	<b>482,233</b>	<b>-</b>	<b>(325,098)</b>	<b>0</b>	<b>56,151</b>	<b>157,135</b>	<b>+155.60</b>	
<b>16,912,337</b>	<b>HDC Total</b>	<b>17,156,535</b>	<b>17,293,375</b>	<b>136,840</b>	<b>+0.80</b>	<b>(940,531)</b>	<b>234,842</b>	<b>16,587,686</b>	<b>(568,849)</b>	<b>-3.30</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 £1.96m (75% of the year) and the Capital Programme is forecast to have a net underspend of £2.056m, this includes underspends, overspends rephasings and growth.

Variation Commentary Summary		£000s
<b>Overspend</b>		
<b>Alms Close Development</b>		728
<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 scheme spending profile, as per the contract, will result in a re-phase being required and this is shown in the re-phase section of this table.</p>		
<b>CCTV Camera Replacements and Wi-Fi</b>		105
<p>This scheme has had to issue number of variation orders relating to the layout and capability of the control room, equipment and to the networking of all the cameras throughout the district (the original plan to use a cable network could not proceed and changes required to enable the cameras to run on a BT network increased costs).</p>		
<b>One Leisure Impressions Fitness Equipment</b>		39
<p>Due to identified structural issues at OLSI to the load capacity of the floor and IT costs has added £38,500 to the cost of this project. Without the remedial structural improvements, the equipment installation would not have been possible.</p>		
<b>Cash Receipting Software</b>		19
<p>Work to complete touch-tone phone payments for customers to pay invoices.</p>		
<b>Oak Tree Development</b>		19
<p>Work on the planning for the Oak Tree Development has commenced. Most of this is funded from grant but a small amount of additional expenditure is being incurred.</p>		
<b>Minor Scheme Overspends:-</b>		
<p>The following schemes are expected to show a small overspend on completion:-</p>		
One Leisure St Neots Synthetic Pitch		6
Commercial Property Roofs (Health & Safety Work)		9
FMS Archive		7
Insurance Settlement Eastfield House		3
Fencing Work		2
<b>Total Overspend</b>		<b>937</b>
<b>Growth</b>		
<b>Insurance Settlement – Eastfield House Fire</b>		0
<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>		

<p><b>Salix Building Efficiency</b> 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><b>Travellers Security Improvements</b> 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>Based on the report, detailing the background to incursions and current challenges, £50,000 has been allocated for this scheme. However, delays in sourcing materials will mean that £20,000 will be spent in 2020/21 rather than in 2019/20 and this variance is included in the Rephase section of this table.</p>	50
<p><b>Oaktree Centre Remedial Work</b> 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> <p>The link between this scheme and the Oak Tree Car Park development scheme has delayed the start and so most of the expenditure will now be in 2020/21</p>	50
<p><b>One Leisure St Ives Outdoor Fitness Offering</b></p> <p>The construction of the Training shed is well underway, with the new facility being opened on 15 March. Cabinet approved a new capital cost of £450K in June 2019 to reflect an enhanced facility with greater income generating potential. The total project cost is £500K but will be offset to £450K with the £50K CIL contribution.</p>	200
<b>Total Growth</b>	<b>314</b>
<b>Underspend</b>	
<p><b>Re-Fit Projects</b> 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>	(53)
<p><b>Disabled Facilities Grants</b> 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 contributions from tenants and other organisations are forecast to be (£49,000).</p>	(249)

	Based on commitments, a small saving on expenditure of £15,000 is expected.	
	<b>VAT Partial Exemption</b> The current indication is that the authority will be below the HMRC threshold for exempt activity and so we will not have to pay this amount out.	(169)
	<b>Minor Scheme Underspends</b> The following schemes are expected to show a small underspend on completion:- CCTV Pathfinder House Resilliance One Leisure St Neots Pool OL Ramsey 3G Pitch Vehicle Fleet Replacement Wheeled Bins	(8) (7) (7) (10) (10)
	<b>Total Underspend</b>	<b>(513)</b>
<b>Rephase</b>		
	<b>Robotics</b> It is now expected that £27k of expenditure will be incurred in 2020/21.	(27)
	<b>Income Management Software</b> Work on this project has not yet begun and will not start until 2020/21.	(62)
	<b>Travellers Security Improvements</b> This growth item is being re-phased due to problems sourcing materials	(20)
	<b>One Leisure Improvements</b> Some 2020/21 items, e.g. upgrade to fire alarms, have been brought forward to ensure compliance with the latest regulations and, in the case of the refurbishment of the Training Shed designated changing room, to improve the customer experience.	40
	<b>Alms Close Development</b> The scheme spending profile, as per the contract, will result in a re-phase being required into 2020/21.	<b>(1,243)</b>
	<b>Oaktree Centre Remedial Work</b> The link between this scheme and the Oak Tree Car Park development scheme has delayed the start and so most of the expenditure will now be in 2020/21	<b>(958)</b>
	<b>Energy Efficiency Works at Commercial Properties</b> Delays in producing a schedule of works to meet EPC standards	(24)
	<b>Parking Strategy</b> The installation of the new equipment is taking longer than anticipated and so £64k of the scheme's budget will need to be re-phased to 2020/21. Currently, following negotiations with the contractor over costs, a small saving of £15k on this project is likely to be realised in 2020/21.	(64)
	<b>Bridge Place Car Park</b> Delay in agreeing the sale of Bridge Place car park so most of the scheme costs will be incurred in 2020/21	(384)
	<b>Operations Back Office</b> Scheme is in progress but will not complete until 2020/21	(29)
	<b>Minor Scheme Rephases:-</b> The following schemes are expected to require re-phasing to 2020/21:- Lone Worker Software Health & Safety Works at Commercial Properties	(20) (3)
	<b>Total Rephase</b>	<b>(2,794)</b>
	<b>Total Net Expenditure Overspend/Underspend()</b>	<b>(2,056)</b>



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.

## CAPITAL PROGRAMME SUMMARY TABLE 1

Capital Programme 2019/20

Forecast

Quarter 3 (expenditure to the end of December)

Division	Project	Budget Manager	Gross Expenditure						Grants, Contributions and Funding						Net Forecast Expenditure	Net Forecast Variance
			Approved Budget	Rephase or Supplementary	Revised Budget	Expenditure	Forecast	Variance	Approved Budget	Rephase or Supplementary	Updated Budget	Income	Forecast	Variance		
			£	£	£	£	£	£	£	£	£	£	£	£	£	£
Community	Scanner	Andy Lusha	16,000		16,000		16,000								16,000	
	Environmental Health Software	Finlay Flett	40,000		40,000		40,000								40,000	
	CCTV Camera Replacements	Eddy Gardener		78,000	78,000	322,050	78,000								78,000	
	CCTV Pathfinder House Resilience	Eddy Gardener		20,000	20,000		12,000	(8,000)							12,000	(8,000)
	CCTV Wi-Fi	Eddy Gardener		250,000	250,000	5,135	355,100	105,100							355,100	105,100
	Lone Worker Software	Eddy Gardener		20,000	20,000			(20,000)								(20,000)
	Traveller Security Improvements	Finlay Flett					30,000	30,000							30,000	30,000
Development	Disabled Facilities Grants	Keith Tayler	2,250,000		2,250,000	1,485,195	2,235,300	(14,700)	(1,150,000)		(1,150,000)	(1,446,802)	(1,384,100)	(234,100)	851,200	(248,800)
	A14 Upgrade	Clara Kerr	200,000		200,000		200,000								200,000	
	Housing Company Set Up	Clara Kerr	206,000		206,000		206,000								206,000	
	CIL Infrastructure Projects	Clara Kerr				26,000	76,000	76,000					(76,000)	(76,000)		
Leisure and Health	One Leisure Improvements	Pete Corley	317,000	178,000	495,000	390,477	535,000	40,000							535,000	40,000
	One Leisure St Ives Outdoor New Fitness Offering	Pete Corley	125,000	108,000	233,000	318,215	483,500	250,500					(50,000)	(50,000)	433,500	200,500
	One Leisure Ramsey 3G	Martin Grey	266,000	334,000	600,000	5,280	754,100	154,100	(116,000)	(184,000)	(300,000)		(461,300)	(161,300)	292,800	(7,200)
	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	302,307	569,500	38,500				(450)			569,500	38,500
	One Leisure St Neots Pool	Jon Clarke		14,000	14,000		1,115	7,500	(6,500)						7,500	(6,500)
	One leisure St Neots Synthetic Pitch	Jon Clarke				267,628	6,000	6,000							6,000	6,000
Resources	Income Management Software	Claire Edwards	62,000		62,000			(62,000)								(62,000)
	Alms Close Development	Carl Egonu	1,022,000		1,022,000	20,471	507,200	(514,800)							507,200	(514,800)
	Oak Tree Remedial Work	Carl Egonu	950,000		950,000	11,950	42,100	(907,900)							42,100	(907,900)
	Oak Tree Centre Development	Carl Egonu				63,261	63,300	63,300				(70,850)	(43,840)	(43,840)	19,460	19,460
	Health and Safety Works at Commercial Properties	Jackie Golby		23,000	23,000	709	20,000	(3,000)							20,000	(3,000)
	Energy Efficiency Works at Commercial Properties	Jackie Golby	25,000	19,000	44,000	10,731	20,000	(24,000)							20,000	(24,000)
	Commercial Property Roofs	Jackie Golby				9,350	9,400	9,400							9,400	9,400
	VAT Partial Exemption	Claire Edwards	59,000	110,000	169,000			(169,000)								(169,000)
	Cash Receipting	Claire Edwards		1,000	1,000	16,138	20,100	19,100							20,100	19,100
	FMS Archive	Claire Edwards		3,000	3,000		7,770	10,000	7,000						10,000	7,000
Investment in Company	Claire Edwards		100,000	100,000	(38,000)	100,000								100,000		
3C ICT	Robotics	Tony Evans	50,000		50,000		23,000	(27,000)							23,000	(27,000)
	Flexible Working	Sam Smith		33,000	33,000		33,000								33,000	
	Transformation (Council Anywhere)	Tony Evans		353,000	353,000	103	353,000								353,000	
	Insurance Settlement (EFH IT Equipment)	John Tayler										(122,661)				

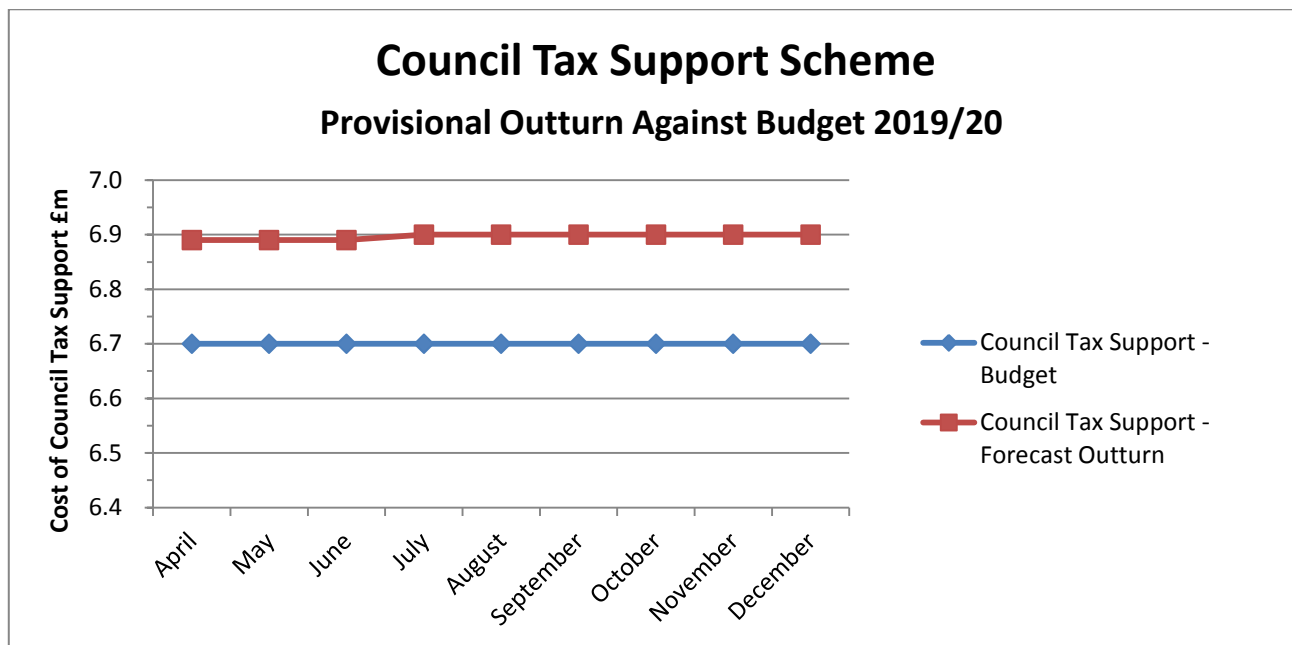
Division	Project	Budget Manager	Gross Expenditure						Grants, Contributions and Funding						Net Forecast Expenditure	Net Forecast Variance	
			Approved Budget	Rephase or Supplementary	Revised Budget	Expenditure	Forecast	Variance	Approved Budget	Rephase or Supplementary	Updated Budget	Income	Forecast	Variance			
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Operations	Fencing	Helen Lack	10,000		10,000	9,376	12,200	2,200								12,200	2,200
	Building Efficiencies (Salix)	Julia Blackwell	19,000	13,000	32,000		46,200	14,200								46,200	14,200
	Wheeled Bins	Heidi Field	236,000		236,000	56,876	184,400	(51,600)	(92,000)		(92,000)	(128,655)	(50,000)	42,000	134,400	(9,600)	
	Vehicle Fleet Replacement	Colin Moss	35,000	90,000	125,000	25,956	115,200	(9,800)							115,200	(9,800)	
	Play Equipment	Helen Lack	35,000		35,000	45,415	115,000	80,000					(80,000)	(80,000)	35,000		
	Re-fit Building	Julia Blackwell	37,000	254,000	291,000	63,499	238,000	(53,000)							238,000	(53,000)	
	Parking Strategy	George McDowell	315,000		315,000	204,363	251,400	(63,600)							251,400	(63,600)	
	Bridge Place Car Park	George McDowell	107,000		107,000	21,575	12,700	(94,300)							12,700	(94,300)	
	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	34,320	105,900	(184,100)	(117,000)	(38,000)	(155,000)				105,900	(29,100)	
	Pathfinder House Reception	Mark Houston				450	450	450							450	450	
	Transformation	Customer Relationship Management	Tony Evans		83,000	83,000	41,257	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)		
<b>Total Expenditure</b>			<b>7,693,000</b>	<b>2,134,000</b>	<b>9,827,000</b>	<b>3,728,972</b>	<b>8,219,550</b>	<b>(1,607,450)</b>	<b>(2,679,000)</b>	<b>(222,000)</b>	<b>(2,901,000)</b>	<b>(1,769,418)</b>	<b>(3,349,240)</b>	<b>(448,240)</b>	<b>4,870,310</b>	<b>(2,055,690)</b>	

Net (Underspend)/Overspend (2,055,690)

## Financial Dashboard

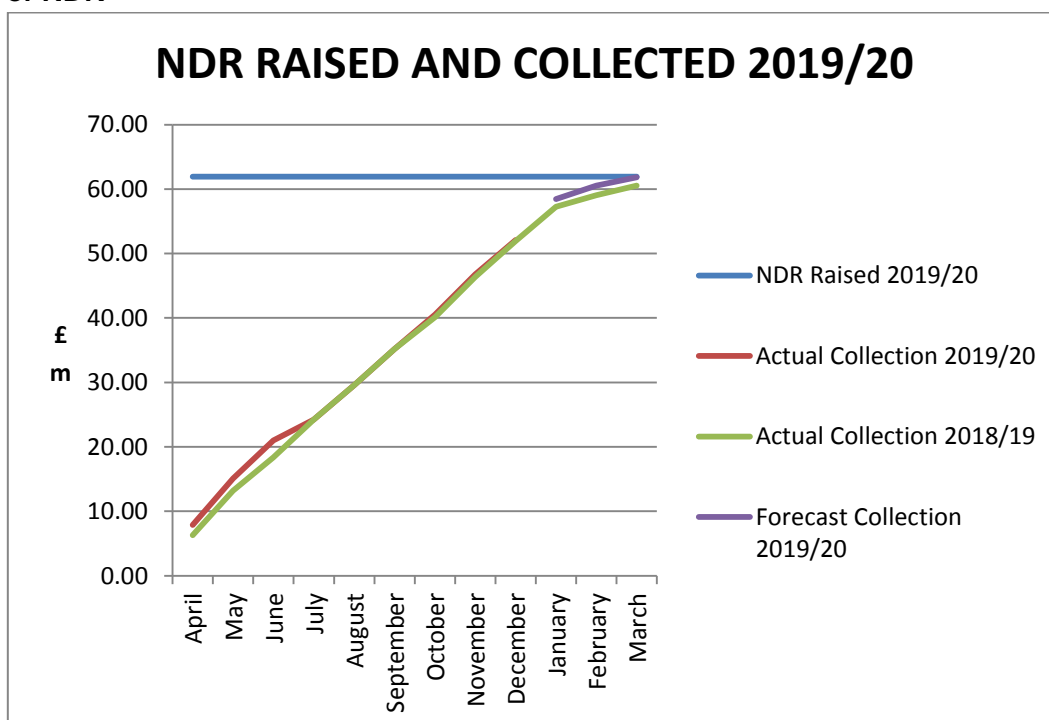
### Council Tax Support Scheme

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.



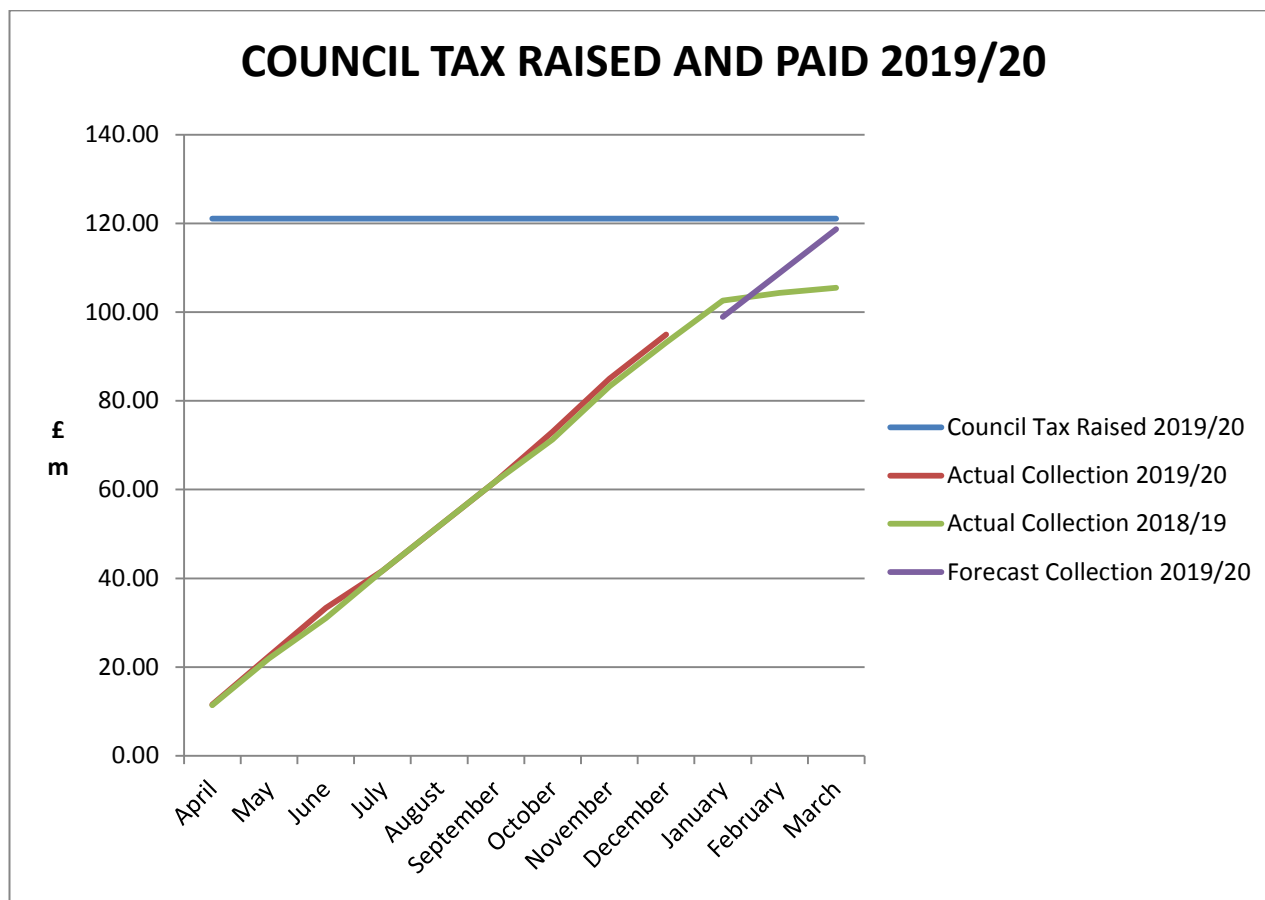
The impact of this increase on HDC will be proportionate to all Council Tax precepts (13.5% for HDC including parishes).

### 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 31<sup>st</sup> December 2019 is £2.004m (July 2019, £1.205m). £586k relates to Commercial Rents, £454k relates to homeless accommodation/prevention, £144k relates to schools and other customers use of One Leisure facilities and £80.2k 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.

This page is intentionally left blank

## Register of Reviews of CIS Propositions 2019/20 Quarter 3

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, October – December 2019 (Q3)

Over the above period, 41 properties in total were considered, 38 propositions were reviewed up to stage 1, two were considered to Stage 2 these were discounted as either poor properties or risk due to overweight of properties of similar type in the portfolio. By property type the investments considered in Q3 are as follows:

Offices	3	Distribution	10
Retail	9	Bus depots	4
Industrial/warehouse	4	Job centres	3
Car showrooms	4	Other	4

This page is intentionally left blank



**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Final 2020/21 Revenue Budget & Medium Term Financial Strategy (2021/22 to 2024/25); including the Capital Programme.

**Meeting/Date:** Overview & Scrutiny (Performance & Growth)  
– 4<sup>th</sup> February 2020

**Executive Portfolio:** Executive Councillor for Strategic Resources (JG)

**Report by:** Finance Manager (CE)

**Ward affected:** All

---

### **Executive Summary**

This report sets out the Councils Revenue and Capital budget proposals for the 2020/21 Final Budget and the Medium Term Financial Strategy (2021/22 to 2024/25). The proposals:

- include savings and additional income, growth, non-realised savings from earlier years, the implications of other budget adjustments and the Commercial Investment Strategy, and the governments financial settlement, and their
- impact on Council Tax and Reserves for 2020/21 and over the medium term.

### **RECOMMENDATION**

The Overview and Scrutiny Panel is invited to comment on the revenue and capital proposals, the Council Tax and levels of Reserves from the Cabinet report attached at **Appendix A**.



HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Final 2020/21 Revenue Budget and Medium Term Financial Strategy (2021/22 to 2024/25); including the Capital Programme

**Meeting/Date:** Cabinet – 13th February 2020

**Executive Portfolio:** Executive Councillor for Strategic Resources

**Report by:** Finance Manager

**Wards affected:** All

---

**Executive Summary:**

In order for the Council to:

- set the Council Tax for the area, the Council is required to set an annual Budget for the forthcoming year, and to
- ensure effective future financial planning, the Council approves a Medium term Financial Strategy (MTFS) for the subsequent 4 years.

Consequently, this report sets out the final budget for 2020/21 and the revised MTFS for the period 2021/22 to 2024/25 for Cabinet approval.

The Draft Budget and MTFS was approved by Cabinet on 23 January 2020 which included relevant savings, income and growth proposals, implications of the Provisional Financial Settlement and a planned increase in Council Tax of 2.6% for 2020/21 and for the duration of the MTFS. The draft Capital Programme 2020/21 to 2024/25 was also approved.

This report outlines the changes that have occurred since then, as well as discussing any significant risks associated with the Budget.

The Final Budget 2020/21 gives a Net Service Expenditure Budget of £17.7m; the detailed Final Budget 2020/21 and MTFS is shown at **Appendix 1**. There is a increase in Net Service Expenditure Budget of £28k on the Draft Budget 2020/21 that was reported in January 2020. All of the changes to the Final Budget relate to Services and are detailed in **Appendix 2**.

For 2020/21, the adjustments increase the contribution to Reserves; over the MTFS period the budget gap by 2024/25 is £0.45m, some £727k less than last year. The 'Plan on a Page' at **Appendix 3** has now been updated to reflect the final budget.

**Recommendations:**

That the Cabinet recommends to Council the approval of the:

- overall Final Budget 2020/21 and MTFS 2021/22 to 2024/25 (**Appendix 1**,

this includes the Revenue Budget at Section 2 and the Capital Programme at Section 3)

- the “Plan-on-a-Page” (**Appendix 3**)

## 1. PURPOSE OF THE REPORT

1.1 To provide Cabinet with the detail of the Final Budget and MTFS for consideration. The report sets out:

- any changes that have occurred since the Draft Budget and MTFS was approved.
- impacts on reserves.
- level of Council Tax.
- consideration of the Resolution that will be presented to Full Council on the 26 February 2020.
- risks associated with the budget and relevant sensitivity analysis.

## 2. BACKGROUND

2.1 At the 23 January 2020 Cabinet meeting, Cabinet approved:

- a Draft 2020/21 Budget with Net expenditure of £17.6m and a Budget Requirement of £18.6m,
- an MTFS that has a profiled increase in the Budget Requirement to £19.6m by 2024/25.
- a Capital Programme of £16.6m for 2020/21, that reduces to £5.0m by 2024/25; with net internal funding of £14.4m and £1.4m respectively.

2.2 In respect of 2020/21, the Draft Budget included:

- savings and additional income of £1.4m.
- growth of £2.3m.
- the provisional finance settlement of £2.2m in respect of New Homes Bonus and no Revenue Support Grant.
- an estimate of £6.9m for Business Rates related income and the Collection Fund.

## 3. CHANGES TO THE BUDGET 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2024/25

3.1 Since the January Cabinet, a summary of the changes to the budgeted contribution to reserves is shown in **Table 1** (and paragraphs 3.2) below, with the detail shown in **Appendix 2**.

Table 1	Changes between Draft 2020/21 Budget and MTFs and Final				
	Budget	Medium Term Financial Strategy			
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Cabinet January Draft Budget - contribution to/(from) General Reserves</b>	(1,228)	(391)	(181)	(514)	(422)
Services	(28)	(28)	(29)	(29)	(31)
<b>Total Service Budget Changes</b>	<b>(28)</b>	<b>(28)</b>	<b>(29)</b>	<b>(29)</b>	<b>(31)</b>
Technical Adjustment (Reserves)					
<b>Additional Growth</b>	<b>(28)</b>	<b>(28)</b>	<b>(29)</b>	<b>(29)</b>	<b>(31)</b>
<b>Cabinet Final Budget - contribution to/(from) General Reserves</b>	<b>(1,256)</b>	<b>(419)</b>	<b>(210)</b>	<b>(543)</b>	<b>(453)</b>
N.B. A negative number = expense					

### **Summary of the Main Changes 2020/21 to 2024/25**

3.2 With regard to the budget changes in 2020/21 through to 2024/25, these are shown in the paragraph:

i. Services

Since the Draft 2020/21 Budget was approved by Cabinet, costs in relation to contractual obligations for staff costs were understated:

- Corporate Resources
- Operations

have required the re-profiling of the expenditure streams over the period of the MTFs.

## **4. SUMMARY BUDGET 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2024/25**

4.1 Reflecting the changes noted in Section 2 and 3 respectively, the Final 2020/21 Budget and Medium Term Financial Strategy is shown in **Table 2**.

Table 2	Council Services Net Expenditure Budget (2020/21) and MTFS						
	2019/20		2020/21	Medium Term Financial Strategy			
	Budget	Forecast (August)	Budget	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000
Chief Operating Officer	4,194	3,989	4,359	4,568	4,751	4,869	4,999
Assistant Director Transformation	0	0	408	335	313	513	484
Assistant Director Corporate Resources	5,042	4,671	4,802	5,270	5,399	5,592	5,392
Head of Leisure & Health	(20)	(37)	(215)	(371)	(394)	(328)	(250)
Head of Operations	3,852	4,146	4,437	4,481	4,476	4,635	4,829
Head of 3C's ICT Shared Service	2,145	2,145	2,139	2,144	2,169	2,234	2,300
Corporate Leadership Team	815	844	669	682	695	708	722
Programmes Delivery Manager	0	0	70	71	72	74	75
Housing Manager	220	198	177	180	183	186	189
Planning Manager	908	879	842	860	828	846	896
<b>Net Expenditure</b>	<b>17,156</b>	<b>16,835</b>	<b>17,688</b>	<b>18,220</b>	<b>18,492</b>	<b>19,329</b>	<b>19,636</b>

	Council Funding Statement Budget (2020/21) and MTFS						
	2019/20		2020/21	Funding Streams and a 2.6% Council Tax increase			
	Budget	Forecast (August)	Budget	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000
<b>Net Expenditure</b>	<b>17,156</b>	<b>16,835</b>	<b>17,688</b>	<b>18,220</b>	<b>18,492</b>	<b>19,329</b>	<b>19,636</b>
Contribution to/(from) Earmarked Reserves:	0						
- Commercial Investment Strategy	2,038	2,038	2,212	881	427	0	0
General Reserves	1,247	1,567	(1,256)	(419)	(210)	(543)	(453)
<b>Budget Requirement</b>	<b>20,441</b>	<b>20,440</b>	<b>18,644</b>	<b>18,682</b>	<b>18,709</b>	<b>18,786</b>	<b>19,182</b>
Non-Domestic Rates	(5,958)	(5,958)	(6,674)	(6,811)	(6,949)	(7,090)	(7,106)
Non-Domestic Rates (Growth Pilot)	(949)	(949)	0	0	0	0	0
S31 Grant	(1,729)	(1,729)	(1,579)	(1,579)	(1,579)	(1,579)	(1,579)
Revenue Support Grant (RSG)	0	0	0	0	0	0	0
Fair Funding Review Adjustment	0	0	82	163	245	326	408
New Homes Bonus	(2,038)	(2,038)	(2,212)	(881)	(427)	0	0
Collection Fund (Surplus) / Deficit	(989)	(989)	907	0	0	0	0
<b>Council Tax Requirement</b>	<b>8,778</b>	<b>8,777</b>	<b>9,168</b>	<b>9,574</b>	<b>9,999</b>	<b>10,443</b>	<b>10,905</b>
- Base (*)	61,749	61,749	62,854	63,978	65,123	66,287	67,471
- Per Band D	142.16	142.16	145.86	149.65	153.54	157.54	161.63
- Increase £			£ 3.70	£ 3.79	£ 3.89	£ 3.99	£ 4.10
- Increase %			2.60%	2.60%	2.60%	2.60%	2.60%

### Impact on Reserves

- 4.2 Surpluses (or deficits) in funding are adjusted via contributions to or from reserves; in the Council's Funding Statement (**Table 2**) this is shown against the line entitled "General Reserves". For the Final 2020/21 budget there is a budgeted surplus of £0.956m. However, from 2021/22 to the end of the MTFS period there is a budget gap. Because the Council has the ambition to be 'self-financing' (i.e. not reliant on government grant), from 2019/20 onwards all NHB receipts are allocated to the Commercial Investment Earmarked Reserve; this will enable the Council to provide a direct source of funding to enable it to invest in future service delivery.
- 4.3 Over the MTFS period the budget gap by 2024/25 is £0.45m, a reduction of £0.75m than 2019/20.
- 4.4 As shown in **Table 3** below, the funding gap from 2021/22 can be met from the Budget Surplus Reserve whilst at the same time ensuring that the General Fund Reserve stays at the Councils agreed minimum level of reserves; which is 15% of the Council's Net Service Expenditure from 2020/21 onwards. It is

fair to conclude that the Councils budget is balanced over the medium term; however it should be noted that if the Council chooses to use reserves to meet a budget gap this must be viewed as short term bridging finance, whereas if reserves were used to invest in the local community or to acquire assets or invest in opportunities that would either generate income or reduce expenditure this would be a medium to long term investment.

Table 3	Reserves and MTFS						
	2019/20		2020/21	Medium Term Financial Strategy			
	Budget £000	Forecast £000	Budget £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>GENERAL FUND (Unallocated) RESERVE</b>							
<b>b/f</b>	<b>2,686</b>	<b>2,555</b>	<b>2,525</b>	<b>2,653</b>	<b>2,733</b>	<b>2,774</b>	<b>2,899</b>
Contribution to Reserve	0	0	0	0	0	0	0
Contribution from Reserve	1,247	1,567	(1,256)	(419)	(210)	(543)	(453)
Contribution from (to) Budget Surplus	(1,360)	(1,597)	1,384	499	251	668	499
<b>c/f</b>	<b>2,573</b>	<b>2,525</b>	<b>2,653</b>	<b>2,733</b>	<b>2,774</b>	<b>2,899</b>	<b>2,945</b>
Net Expenditure	17,156	16,835	17,688	18,220	18,492	19,329	19,636
<b>Minimum Level of Reserves (15%)</b>	<b>2,592</b>	<b>2,525</b>	<b>2,653</b>	<b>2,733</b>	<b>2,774</b>	<b>2,899</b>	<b>2,945</b>

<b>BUDGET SURPLUS RESERVE</b>							
<b>b/f</b>	<b>3,449</b>	<b>3,465</b>	<b>3,031</b>	<b>1,589</b>	<b>1,032</b>	<b>723</b>	<b>(3)</b>
Contribution to Reserve	0	0	0	0	0	0	0
Contribution from Reserve	0	0	0	0	0	0	0
Contribution from (to) General Fund	1,360	1,597	(1,384)	(499)	(251)	(668)	(499)
Contribution from (to) CIS Reserve	(266)	(1,266)	0	0	0	0	560
Contribution from (to) Earmarked Reserves	(723)	(765)	(58)	(58)	(58)	(58)	(58)
<b>c/f</b>	<b>3,820</b>	<b>3,031</b>	<b>1,589</b>	<b>1,032</b>	<b>723</b>	<b>(3)</b>	<b>0</b>

<b>COMMERCIAL INVESTMENT RESERVE</b>							
<b>b/f</b>	<b>4,733</b>	<b>3,106</b>	<b>3,536</b>	<b>5,710</b>	<b>6,591</b>	<b>7,018</b>	<b>7,018</b>
Contribution to Reserve (former NHB)	2,038	2,038	2,212	881	427	0	0
Contribution from Reserve	(2,716)	(2,874)	(38)	0	0	0	0
Contribution from (to) General Fund	0	0	0	0	0	0	0
Contribution from (to) Budget Surplus Reserve	266	1,266	0	0	0	0	(560)
<b>c/f</b>	<b>4,321</b>	<b>3,536</b>	<b>5,710</b>	<b>6,591</b>	<b>7,018</b>	<b>7,018</b>	<b>6,458</b>

## 5. 2020/21 BUDGET AND MTFS COMPARED TO THE 4-YEAR EFFICIENCY PLAN

5.1 Back in 2016, in response to the Governments offer of a 4-year financial settlement, the Council submitted a 4-year efficiency plan (this was approved by the former Department of Communities and Local Government in the late Autumn of 2016). As part of the settlement, the Council is required to provide some commentary on how it is achieving the plan.

5.2 As shown in **Table 4** below, the approved efficiency plan showed a budget gap of £705k by 2020/21. As a consequence of the 2020/21 Budget and MTFS, the gap is forecast to have increased to £551k of the efficiency plan gap by 2020/21; this is an increase of £532k (73%) when compared to the forecast this time last year when the Cabinet was setting the 2019/20 Budget and MTFS.



Table 4	Efficiency Plan v Final 2020/21 Budget & MTFS	
	Forecast	Final Budget
	2019/20 £000	2020/21 £000
Efficiency Plan - contribution to/(from) Reserves	413	(705)
Forecast Outturn - contribution to/(from) Reserves	1,567	
2020/21 Final Budget & MTFS - contribution to/(from) Reserves		(1,256)
<b>Variance</b>	<b>1,154</b>	<b>(551)</b>

5.3 Since the efficiency plan was set in 2016, the financial environment has changed significantly, with the increasing challenges within Local Government of continuing spending reviews, together with economic and political uncertainty.

## 6. PLAN-ON-A-PAGE 2020/21 TO 2024/25

6.1 Since 2015/16 the Council has adopted a strategy known as 'Plan on a Page' which sets out the Council's financial strategy. **Section 4** has shown that the Council continues to face challenges over the medium term in its obligations to provide cost-effective services. **Appendix 3** shows the 2020/21 "Plan-on-a-Page" and the strategic resource plan that will be followed in order to achieve the Council's financial objectives. The savings required (budget gap) has reduced to £0.453m by the end of the MTFS (2024/25) – a reduction of £0.727m when compared to last years "Plan on a Page". **Table 5** below gives a summary of the budget changes:

Table 5		Budget Changes that have reduced the "Plan on a Page" Forecast Savings Required	
			£m
<b>2018/19 Budget and MTFS – Forecast Savings Required</b>			<b>0.956</b>
<b>Income Generation</b>	Council Tax & Base	(0.580)	
	Commercialisation	0.000	
	Funding Changes	0.427	(0.153)
<b>Efficiencies &amp; Growth</b>	Budget Review	0.758	
	Service Growth	0.207	
	Transformation Savings	(0.588)	0.377
<b>2019/20 Budget and MTFS – Forecast Savings Required</b>			<b>1.180</b>

## 7. ROBUSTNESS OF THE 2019/20 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2020/21 TO 2023/24

7.1 The Council's Responsible Financial Officer (S.151) has to make a statutory statement in respect of the Budget and reserves.

7.2 Section 8 of **Appendix 1** provides considerable discussion in respect of Risks that both the Council and the wider local government community face at this time of continued public sector austerity. In addition, sensitivity analysis is applied against these risks and their impact on General Fund reserves is assessed. In summary, the key findings are:

- i. In 2019/20 an excess budget requirement is achieved which makes a direct contribution to Reserve of £3.3m.
- ii. If the Council was to utilise only the General Fund and Budget Surplus Reserves, by 2021/22 the Council would not be able to maintain a 15% minimum level of General Fund (Unallocated) Reserves based on a Pessimistic or Middle-Way view.
- iii. If the Council was to also utilise the Commercial Investment Reserve as well as the reserves noted in ii, the Council is able to maintain the 15% minimum level of General Fund (Unallocated) Reserves.
- iv. Over the 5 years of the MTFS (next year and the subsequent four years) the total net contribution from reserves is £3.5m.
- v. For 2019/20 the Council can be considered self-financing because any contributions from Reserves do not exceed the NHB bonus contributions that are being set-aside for service investment. However, from 2020/21 onwards this is no longer the case.

7.3 Considering all the factors noted within the “Robustness” statement in respect of the 2019/20 Budget, it is considered that the combination of the:

- Councils commitment to continue to find service efficiencies,
- the direction of travel in relation to governance,
- the clear indication to invest in services,
- it’s prudent position relating to income recognition (including raising Council Tax), and

.....the budget proposed for 2019/20 should not give Members any significant concerns over the Council’s financial position.

7.5 With regard to the MTFS (2020/21 onwards):

- RSG in 2019/20 it will have been removed as a source of central government funding; indeed, current modelling includes a provision for negative RSG;
- with the phasing out of NHB criteria reducing future income stream, and
- The uncertainty surrounding the outcome of the Fair Funding Review

there are inevitably risks as central government funding changes and reduces. However, over the past few years the Council has taken proactive action to address its budgetary concerns and with the planned continuation of its Transformation programme and further commercialisation the Council has a sound financial base.

## 8. CIPFA “FINANCIAL RESILIENCE INDEX”

8.1 As an addendum to the s.25 Statement “Robustness of Reserves” noted in 7.0 above, there is some commentary in respect of Chartered Institute of Public

Finance and Accountancy's (CIPFA) newly developed "Financial Resilience Index". This is a new initiative by CIPFA to provide councils with a dashboard in respect of their "Financial Resilience". Unfortunately, at this time CIPFA have stated that the index should not be made public as it is in 'development'. However, upon review of the 'beta version' of the index does not show the council in a good light and this is because, of the 10 indices currently included, 7 are in respect of how the council has used Reserves (*the council has used reserves for good reasons i.e. to generate a long-term income stream to support ongoing service delivery*). CIPFA has 'recommended' that a council's s.151 officer (Head of Resources here at Huntingdonshire DC) should refer to this index as part of their commentary on the "Robustness of Reserves"; however members should note that the Head of Resources has:

- i) robustly challenged the "...worth" of the index with CIPFA and other senior officers have challenged with the Local Government Association.
- ii) provided a comprehensive commentary on why he considers the council has strong processes and practices in place to ensure good financial resilience.

8.2 Further, members should note that the council's external auditor has consistently provided a unqualified opinion in respect of the Annual Financial Report and Value for Money.

## **9. COMMENTS OF OVERVIEW & SCRUTINY**

9.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

## **10. KEY IMPACTS / RISKS**

10.1 The setting of the budget and the Council Tax will directly impact on how Council services are to be delivered to both the residents and businesses of Huntingdonshire. Consequently the delivery of the 2019/20 Budget, when approved, will be proactively managed via the Council's budgetary monitoring processes throughout the year. In addition to the budget itself, it is essential that the Council maintains adequate reserves to ensure that it has an effective safety net to meet unforeseen risks.

## **11. TIMETABLE FOR IMPLEMENTATION**

11.1 The 2019/20 Budget forms an integral part of the service planning process for 2019/20 and therefore actions and timescales required to ensure savings are achieved and service spending is in line with the approved budget will be contained within the final service plans.

## **12. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

12.1 The Budget is the financial interpretation of the Councils strategic and operational priorities that are included within the entire Corporate Plan. However, the budget process itself meets the following specific aims and objectives of the Corporate Plan:

- Becoming a more efficient and effective Council.

12.2 This will assist the Council to:

- Become more efficient in the way we deliver services providing value for money services.

### **13. CONSULTATION**

- 13.1 The Council is currently consulting with the Business and Voluntary Community and the results of this consultation will be available for the February Cabinet meeting

### **14. LEGAL IMPLICATIONS**

- 14.1 As per the Sections 31A and 42A of the Local Government Finance Act 1992, the Council is required to set a balanced budget. This is achieved for 2019/20 so the setting of the Council Tax at the level mentioned within the report is appropriate.

### **15. RESOURCE IMPLICATIONS**

- 15.1 The resource implications have been shown within the main body of this report.

### **16. OTHER IMPLICATIONS**

- 16.1 All implications are contained within the body of the report.

### **17. REASONS FOR THE RECOMMENDED DECISIONS**

- 17.1 To enable Cabinet to approve and understand:
- the changes to the Draft 2019/20 Budget and MTFS as approved by Cabinet on 17 January 2019.
  - The risks and impacts of these changes on the 2019/20 Final Budget and MTFS.

### **18. LIST OF APPENDICES INCLUDED**

**Appendix 1:** 2019/20 Final Budget & Medium Term Financial Strategy 2020/21 to 2023/24.

**Appendix 2:** Changes to the Draft Budget 2019/20.


**Appendix 3:** Plan on a Page.

### **BACKGROUND PAPERS**

Working papers in Resources; Accountancy Services

### **CONTACT OFFICER**

Claire Edwards, Finance Manager

 01480 388822



**FINAL**  
**2020/21 Budget**  
**&**  
**Medium Term Financial**  
**Strategy**  
**2021/22**  
**To**  
**2024/25**

## Contents

	Page Number
<b>1.0 Strategic Budget Summary</b>	<b>3</b>
• Savings, Income Generation, Growth & Revenue Implications of Capital	3
• Corporate and Government Funding	5
• Summary Budget	7
• Revenue Reserves	9
<b>2.0 Revenue Operational Budgets and Medium Term Financial Strategy</b>	<b>10</b>
• Subjective Analysis of Spend and income	10
• Service Budgets by Head of Service	
○ Chief Operating Officer	12
○ Assistant Director Transformation	13
○ Assistance Director of Corporate Resources	14
○ Leisure & Health	15
○ Operations	16
○ ICT	17
○ Corporate Leadership Team	18
○ Programmes Delivery Manager	19
○ Housing Manager	20
○ Planning Manger	21
<b>3.0 Capital</b>	<b>22</b>
<b>4.0 Treasury Management</b>	<b>24</b>
<b>5.0 Capital Financing Requirement</b>	<b>25</b>
<b>6.0 Formal 2020/21 Council Tax Resolution</b>	<b>27</b>
• Huntingdonshire District Council Formal Resolution	27
• Tax Base 2018/19	29
• 2018/19 Council Tax by Property Band for each Precepting Authority and the Billing Authority	30
• Total 2018/19 Council Tax Property Band for each Precepting Authority and the Billing Authority	30
<b>7.0 Fees and Charges</b>	<b>32</b>
<b>8.0 Robustness of the 2020/21 Budget &amp; Medium Term Financial Strategy</b>	<b>32</b>
• Robustness and Budget Setting	32
• Challenges facing the Council	32
• Governance	34
• Risks	35
• Revenue Reserves	41
• Conclusion	44
<b>Annex A – Fees and Charges</b>	

## 1.0 STRATEGIC BUDGET SUMMARY

### 1.1 Savings, Income Generation, Growth and Revenue Implications of Capital

- **Savings and Income**

1.1.1 Over the Autumn of 2019, Portfolio holders were challenged to review their budgets with respective senior officers and developed both savings proposals for the forthcoming financial year (2020/21) and the MTFS period (2021/22 to 2024/25). Details of the savings proposed were approved by Cabinet in January 2020 and are summarised in the service budget pages later in this report. Since the January Cabinet, there have been two adjustments to the budget giving a net increase of £28k for 2020/21, and net increases over the MTFS period of £28k, £28k, £29k and £30k for each of the four years.

1.1.2 The Council generates a considerable proportion of its own funding from the various services it provides. These range from income from One Leisure and Car Parking through to charging for Licensing and Planning Services. Service specific income is shown later in this report within the service budget pages.

1.1.3 In addition the Council also generates income from corporate activity; this mainly focuses on:

- Treasury Management; which has been considerably less than in recent years because of the current extremely low interest rate environment.
- Commercial Estates; whereby the Council is proactively developing its commercial estate activity to develop for the Council a medium to long term revenue stream.

1.1.4 The service savings and additional income proposals were approved by Cabinet in January 2020 and are summarised in the service budget pages later in this report. The total Savings and Additional Income Proposals for 2020/21 are £1.4m and **Table 1** below shows how this is allocated by service.

Service	Service Savings and Additional Income Proposals			
	Draft Budget Savings *	Savings Adjustments Since Draft Budget		Final Savings and Additional Income
		Additional	Removed	
£000	£000	£000	£0	
Chief Operating Officer	6			6
Assistant Director Transformation				0
Assistant Director Corporate Resources	1,339			1,339
Head of Leisure & Health	35			35
Head of Operations	5			5
Head of 3C's ICT Shared Service	0			0
Corporate Leadership Team	0			0
Programmes Delivery Manager	0			0
Housing Manager	0			0
Planning Manager	47			47
<b>Total</b>	<b>1,432</b>	<b>0</b>	<b>0</b>	<b>1,432</b>

\* Reported to Cabinet January 2020.

- **Growth**

1.1.5 Growth has appeared within the budget for one of four reasons:

- Inflation on employee costs and business rate changes
- Employees increment related growth
- Non-employee budgets non-controllable growth
- Controllable growth

1.1.6 The growth proposals were approved by Cabinet in January 2020 and are summarised in the service budget pages later in this report. The only changes in the proposals are in Customer Services, where there has been a reduction in a Government New Burdens grant allocation. The total Service Growth Proposals for 2020/2 are £2.3m and **Table 2** below shows how this is allocated by service.

Service	Draft Budget Growth *	Growth Adjustments Since Draft Budget		Final Growth £000
		Additional £000	Removed £000	
		£000	£000	
Chief Operating Officer	81			81
Assistant Director Transformation	179			179
Assistant Director Corporate Resources	1,031			1,031
Head of Leisure & Health	314			314
Head of Operations	639			639
Head of 3C's ICT Shared Service	18			18
Corporate Leadership Team	0			0
Programmes Delivery Manager	0			0
Housing Manager	0			0
Planning Manager	0			0
<b>Total</b>	<b>2,262</b>	<b>0</b>	<b>0</b>	<b>2,262</b>

\* Reported to Cabinet January 2020.

- **Commercial Investment Strategy**

1.1.7 A key part of the Council's overall Budget strategy is the Commercial Investment Strategy (CIS), as approved by the Council in 2015. Although the Commercial Investment market remains challenging, it is envisaged that the Council can still meet these income targets. However, it is expected that there will be a change in investment emphasis over the next year in that acquisitions are more likely to be within boundary along with the development of housing related propositions. The current profile of CIS related income is around the £5.5m and £6.0m per annum and is shown in **Table A** below.

CIS Investment Type	2015/16					2016/17					2017/18					2018/19					2019/20					Budget 2020/21	Medium Term Financial Strategy				
	£'000					£'000					£'000					£'000					£'000						2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000											
Pre CIS Commercial Property Investments	(1,930)	(1,922)	(2,022)	(2,297)	(2,326)	(2,522)	(2,116)	(2,133)	(2,280)	(2,726)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(802)	(864)	(903)	(903)	(903)	(5,785)	(5,441)	(5,497)	(5,644)	(6,090)						
New CIS Commercial Property Investments	(31)	(509)	(785)	(1,242)	(1,398)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(802)	(864)	(903)	(903)	(903)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)						
"To be acquired" CIS Commercial Property Investments	0	10	(2,232)	(1,775)	(1,821)	(802)	(864)	(903)	(903)	(903)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)						
<b>Total Commercial Property Investments</b>	<b>(1,961)</b>	<b>(2,421)</b>	<b>(5,039)</b>	<b>(5,314)</b>	<b>(5,545)</b>	<b>(5,785)</b>	<b>(5,441)</b>	<b>(5,497)</b>	<b>(5,644)</b>	<b>(6,090)</b>	<b>(5,785)</b>	<b>(5,441)</b>	<b>(5,497)</b>	<b>(5,644)</b>	<b>(6,090)</b>	<b>(5,947)</b>	<b>(5,603)</b>	<b>(5,659)</b>	<b>(5,806)</b>	<b>(6,252)</b>	<b>(5,947)</b>	<b>(5,603)</b>	<b>(5,659)</b>	<b>(5,806)</b>	<b>(6,252)</b>						
Property Fund	(20)	(111)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)						
<b>Total CIS Income</b>	<b>(1,981)</b>	<b>(2,532)</b>	<b>(5,201)</b>	<b>(5,476)</b>	<b>(5,707)</b>	<b>(5,947)</b>	<b>(5,603)</b>	<b>(5,659)</b>	<b>(5,806)</b>	<b>(6,252)</b>	<b>(5,947)</b>	<b>(5,603)</b>	<b>(5,659)</b>	<b>(5,806)</b>	<b>(6,252)</b>	<b>(5,947)</b>	<b>(5,603)</b>	<b>(5,659)</b>	<b>(5,806)</b>	<b>(6,252)</b>	<b>(5,947)</b>	<b>(5,603)</b>	<b>(5,659)</b>	<b>(5,806)</b>	<b>(6,252)</b>						



- **Capital – Revenue Implications**

1.1.8 The revenue budget contains any implications from the proposed capital programme for 2020/21 and the MTFS, whether that will be savings as a result of investment, additional running costs or the cost of borrowing (Minimum Revenue Provision).

- **Summary Impact of all budget changes – comparing Final Budget 2019/20 to Final Budget 2020/21**

1.1.9 Overall, the revenue changes to the budget in respect of Savings & Additional Income, Service Growth and Capital have resulted in a net increase in the Council's budget of £532k (3%) when compared to the 2019/20 Original Budget and an increase of £853k (5%) when compared to the August 2019/20 Forecast Outturn. A service by service summary is shown in **Table 3** below.

Service	2019/20		Previously Approved Adjustments	2020/21				Inflation	Other Operational Adjustments	Proposed Budget	Variance	
	Forecast Outturn	Original Budget		Growth	Savings	Increased Income	Linked to Capital				To 2019/20 Forecast	To 2019/20 Budget
	£000	£000		£000	£000	£000	£000				£000	£000
Chief Operating Officer	3,989	4,194	390	81	(6)	0	0	125	(425)	4,359	9%	4%
Assistant Director Transformation	0	0	0	191	(232)	0	0	0	449	408	-	-
Assistant Director Corporate Resources	4,671	5,042	(191)	535	(889)	0	46	34	224	4,801	3%	(5%)
Head of Leisure & Health	(37)	(20)	(547)	314	(35)	0	0	108	(35)	(215)	481%	975%
Head of Operations	4,146	3,852	(305)	468	165	0	2	133	123	4,438	7%	15%
Head of 3C's ICT Shared Service	2,145	2,145	(70)	19	0	0	0	60	(15)	2,139	0%	0%
Corporate Leadership Team	844	815	7	0	0	0	0	16	(169)	669	(21%)	(18%)
Programmes Delivery Manager	0	0	0	0	0	0	0	0	70	70	-	-
Housing Manager	198	220	2	0	0	0	0	4	(49)	177	(11%)	(20%)
Planning Manager	879	908	(23)	0	(47)	0	0	17	(13)	842	(4%)	(7%)
<b>Net Expenditure</b>	<b>16,835</b>	<b>17,156</b>	<b>(737)</b>	<b>1,608</b>	<b>(1,044)</b>	<b>0</b>	<b>48</b>	<b>497</b>	<b>160</b>	<b>17,688</b>		
Forecast Outturn	16,835			853						17,688	5%	
Budget		17,156		532						17,688		3%

## 1.2 Corporate and Government Funding

- **Government Grant**

1.2.1 The government provides a fair proportion of the core funding of the Council. Some of this funding is in relation to specific services e.g. Housing Benefit, but some of the funding is in support of general activity; with regard to:

- New Homes Bonus (NHB), on the 23 December the Government provisionally made an announcement in respect of New Homes Bonus and that the 2020/21 settlement is expected be £2.2m (this is £200k more than last year). The Government's intention is to phase out the grant over a 4 year period with the grant being reduced to zero by 2023/24.
- On the 23 December the Government provisionally confirmed that the Revenue Support Grant (RSG) 2020/21 would be zero, this was in line with what was expected. In the 2019/20 MTFS it was expected that the council would be in a negative RSG position from 2020/21 onwards. However, it is now largely expected that the Government would not enforce this position but would consider grant to remain at zero. As the final decision is likely to be a part of the Fair Funding Review, the 2020/21 MTFS still provides for negative payments of RSG/Fair Funding Review of £82k for 2020/21 up to £408k by 2024/25 as a prudent measure.

### Council Tax and Business Rates

- 1.2.2 There is an assumption within the 2020/21 Budget and over the term of the MTFS that the Council Tax will increase by 2.6% per annum. Therefore, the Council Tax for 2020/21 will be £145.86 per Band D equivalent property. Members should note that when the Local Government Financial Settlement was announced, this confirmed the Council Tax threshold (also known as the Referendum Limit) as “the higher of 2% or £5” for a Band D property.
- 1.2.3 A Council Tax increase of 2.6% is below what current local indicators show in respect of wage and pensions increases.
- 1.2.4 The Council receives 40% of the Business rates collected and, after allowing for the tariff payment, it estimates this to be £6.7m in 2020/21. An increase of 2% is allowed year on year over the MTFS period to reflect the annual inflation increases to the business rates multiplier.

### Collection Fund (Surplus)/Deficit

- 1.2.5 The Collection Fund is the statutory account for the Council Tax and Business Rates income and the payments to preceptors of their respective shares. Any surplus or deficit on the Collection Fund at year end is distributed to the preceptors, as per legislation. The Council is required to make an estimate of the projected surplus or deficit of each component of the Collection Fund at year end in order for the preceptors to bring their share of the surplus or deficit into the budget setting process.
- 1.2.6 For the purposes of budget setting the Council Tax element of the estimated year end position of the Collection Fund is shown in **Table 4** below along with the share that is apportioned to the Council.

<b>Table 4</b>	<b>Collection Fund Estimated Surplus 2019/20</b>	
	<b>(Surplus)/Deficit £000</b>	<b>HDC Share £000</b>
Council Tax	6,373	907
<b>Total</b>	<b>6,373</b>	<b>907</b>

## 1.3 Summary Budget

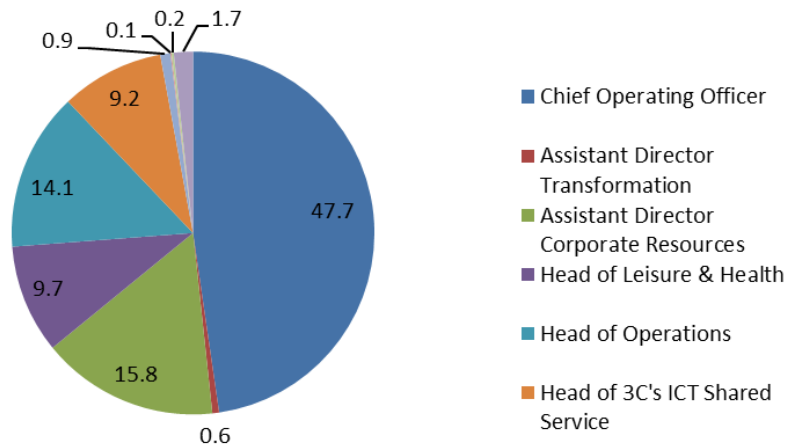
1.3.1 Considering the 2.6% increase in Council Tax for 2020/21 and over the MTFS period, this results in the funding statement shown in **Table 5** and **Table 6** below.

Table 5	Council Services Net Expenditure Budget (2020/21) and MTFS						
	2019/20		2020/21	Medium Term Financial Strategy			
	Budget	Forecast (August)	Budget	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000
Chief Operating Officer	4,194	3,989	4,359	4,568	4,751	4,869	4,999
Assistant Director Transformation	0	0	408	335	313	513	484
Assistant Director Corporate Resources	5,042	4,671	4,802	5,270	5,399	5,592	5,392
Head of Leisure & Health	(20)	(37)	(215)	(371)	(394)	(328)	(250)
Head of Operations	3,852	4,146	4,437	4,481	4,476	4,635	4,829
Head of 3C's ICT Shared Service	2,145	2,145	2,139	2,144	2,169	2,234	2,300
Corporate Leadership Team	815	844	669	682	695	708	722
Programmes Delivery Manager	0	0	70	71	72	74	75
Housing Manager	220	198	177	180	183	186	189
Planning Manager	908	879	842	860	828	846	896
<b>Net Expenditure</b>	<b>17,156</b>	<b>16,835</b>	<b>17,688</b>	<b>18,220</b>	<b>18,492</b>	<b>19,329</b>	<b>19,636</b>

Table 6	Council Funding Statement Budget (2020/21) and MTFS						
	2019/20		2020/21	Medium Term Financial Strategy			
	Budget	Forecast (August)	Budget	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000
<b>Net Expenditure</b>	<b>17,156</b>	<b>16,835</b>	<b>17,688</b>	<b>18,220</b>	<b>18,492</b>	<b>19,329</b>	<b>19,636</b>
Contribution to/(from) Earmarked Reserves:	0						
- Commercial Investment Strategy	2,038	2,038	2,212	881	427	0	0
General Reserves	1,247	1,567	(1,256)	(419)	(210)	(543)	(453)
<b>Budget Requirement</b>	<b>20,441</b>	<b>20,440</b>	<b>18,644</b>	<b>18,682</b>	<b>18,709</b>	<b>18,786</b>	<b>19,182</b>
Non-Domestic Rates	(5,958)	(5,958)	(6,674)	(6,811)	(6,949)	(7,090)	(7,106)
Non-Domestic Rates (Growth Pilot)	(949)	(949)	0	0	0	0	0
S31 Grant	(1,729)	(1,729)	(1,579)	(1,579)	(1,579)	(1,579)	(1,579)
Revenue Support Grant (RSG)	0	0	0	0	0	0	0
Fair Funding Review Adjustment	0	0	82	163	245	326	408
New Homes Bonus	(2,038)	(2,038)	(2,212)	(881)	(427)	0	0
Collection Fund (Surplus) / Deficit	(989)	(989)	907	0	0	0	0
<b>Council Tax Requirement</b>	<b>8,778</b>	<b>8,777</b>	<b>9,168</b>	<b>9,574</b>	<b>9,999</b>	<b>10,443</b>	<b>10,905</b>
- Base (*)	61,749	61,749	62,854	63,978	65,123	66,287	67,471
- Per Band D	142.16	142.16	145.86	149.65	153.54	157.54	161.63
- Increase £			£ 3.70	£ 3.79	£ 3.89	£ 3.99	£ 4.10
- Increase %			2.60%	2.60%	2.60%	2.60%	2.60%

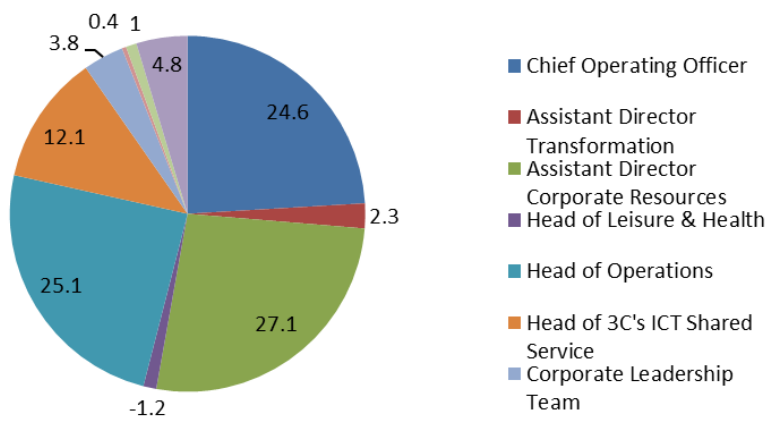
### Gross Expenditure by Service 2020/21

%



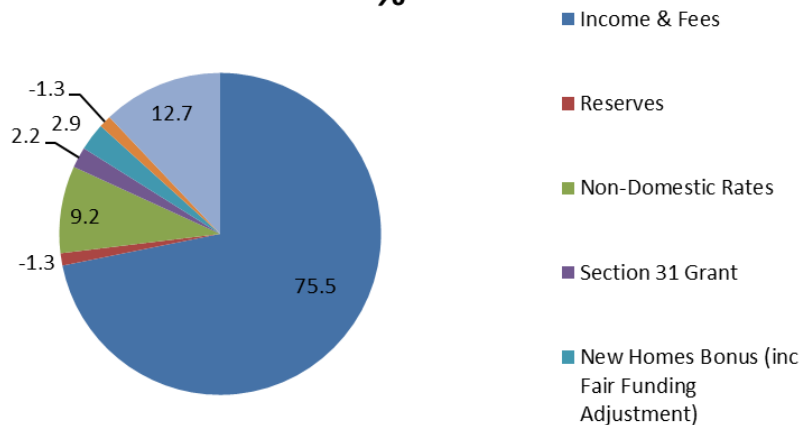
### Net Expenditure by Service 2020/21

%



### How Services are Paid for in 2020/21

%



## 1.4 Revenue Reserves

1.4.1 The impact on the General Fund Reserve of the grant settlement from Government, the Council's policy to increase Council Tax and the savings, income and growth built into the budget 2020/21 and MTFS is shown in **Table 7** below.

Table 7	Reserves and MTFS						
	2019/20		2020/21 Budget £000	Medium Term Financial Strategy			
	Budget £000	Forecast £000		2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>GENERAL FUND (Unallocated) RESERVE</b>							
<b>b/f</b>	<b>2,686</b>	<b>2,555</b>	<b>2,525</b>	<b>2,653</b>	<b>2,733</b>	<b>2,774</b>	<b>2,899</b>
Contribution to Reserve	0	0	0	0	0	0	0
Contribution from Reserve	1,247	1,567	(1,256)	(419)	(210)	(543)	(453)
Contribution from(to) Budget Surplus	(1,360)	(1,597)	1,384	499	251	668	499
<b>c/f</b>	<b>2,573</b>	<b>2,525</b>	<b>2,653</b>	<b>2,733</b>	<b>2,774</b>	<b>2,899</b>	<b>2,945</b>
Net Expenditure	17,156	16,835	17,688	18,220	18,492	19,329	19,636
<b>Minimum Level of Reserves (15%)</b>	<b>2,592</b>	<b>2,525</b>	<b>2,653</b>	<b>2,733</b>	<b>2,774</b>	<b>2,899</b>	<b>2,945</b>
<b>BUDGET SURPLUS RESERVE</b>							
<b>b/f</b>	<b>3,449</b>	<b>3,465</b>	<b>3,031</b>	<b>1,589</b>	<b>1,032</b>	<b>723</b>	<b>(3)</b>
Contribution to Reserve	0	0	0	0	0	0	0
Contribution from Reserve	0	0	0	0	0	0	0
Contribution from (to) General Fund	1,360	1,597	(1,384)	(499)	(251)	(668)	(499)
Contribution from (to) CIS Reserve	(266)	(1,266)	0	0	0	0	560
Contribution from (to) Earmarked Reserves	(723)	(765)	(58)	(58)	(58)	(58)	(58)
<b>c/f</b>	<b>3,820</b>	<b>3,031</b>	<b>1,589</b>	<b>1,032</b>	<b>723</b>	<b>(3)</b>	<b>0</b>
<b>COMMERCIAL INVESTMENT RESERVE</b>							
<b>b/f</b>	<b>4,733</b>	<b>3,106</b>	<b>3,536</b>	<b>5,710</b>	<b>6,591</b>	<b>7,018</b>	<b>7,018</b>
Contribution to Reserve (former NHB)	2,038	2,038	2,212	881	427	0	0
Contribution from Reserve	(2,716)	(2,874)	(38)	0	0	0	0
Contribution from (to) General Fund	0	0	0	0	0	0	0
Contribution from (to) Budget Surplus Reserve	266	1,266	0	0	0	0	(560)
<b>c/f</b>	<b>4,321</b>	<b>3,536</b>	<b>5,710</b>	<b>6,591</b>	<b>7,018</b>	<b>7,018</b>	<b>6,458</b>

## 2.0 REVENUE OPERATIONAL BUDGETS AND MEDIUM TERM FINANCIAL STRATEGY

Table 8

### 2.1 Subjective Analysis of Spend and Income

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
17,197	⇒ Employees	Salary	17,756	18,511	19,180	19,369	19,771	20,150	20,517
1,487		National Insurance	1,523	1,602	1,658	1,681	1,709	1,743	1,778
4,219		Pension	2,769	2,941	3,067	3,121	3,178	3,242	3,307
1,767		Hired Staff	1,197	319	358	306	306	306	306
195		Employee Insurance	198	195	216	239	239	239	239
99		Recruitment	40	15	92	94	94	97	97
187		Training	135	124	131	131	131	131	131
43		Uniform & laundry	43	41	45	39	45	45	45
263		Other staff costs	1,808	1,797	1,696	1,694	1,692	1,722	1,752
216		Severance payments	207	178	169	160	152	152	152
<b>25,674</b>	<b>Employees Total</b>		<b>25,676</b>	<b>25,723</b>	<b>26,612</b>	<b>26,835</b>	<b>27,317</b>	<b>27,827</b>	<b>28,323</b>
228	⇒ Buildings	Rents	208	173	172	172	196	196	196
1,112		Rates	1,177	1,197	1,197	1,233	1,270	1,308	1,347
1,282		Repairs & Maintenance	1,423	1,282	1,354	1,371	1,382	1,385	1,387
0		Fixtures & Fittings	0	0	0	0	0	0	0
746		Energy Costs	857	894	897	858	858	858	858
112		Water Services	181	165	155	155	155	155	155
230		Premises Cleaning	236	241	226	226	226	226	226
92		Premises Insurance	99	96	104	108	108	108	108
218		Ground Maintenance Costs	11	23	14	14	15	14	14
<b>4,019</b>	<b>Buildings Total</b>		<b>4,192</b>	<b>4,071</b>	<b>4,119</b>	<b>4,136</b>	<b>4,210</b>	<b>4,250</b>	<b>4,290</b>
26	⇒ Supplies & Services	Catering	21	22	22	22	22	22	22
334		Members Allowances	384	402	402	402	402	402	402
410		Office expenses	452	438	412	418	444	444	444
4,343		Communication and computing Services	4,308	3,218	3,159	3,143	3,187	3,186	3,186
5,089		Equipment, furniture & materials	5,471	6,673	6,405	6,438	6,298	6,832	7,075
1,379		Rents	1,058	988	968	970	964	974	974
111		Uniform & laundry	250	255	240	230	230	230	230
0		Expenses	0	1	0	0	0	0	0
98		Insurance - service related	90	77	79	81	81	81	81
<b>11,789</b>	<b>Supplies &amp; Services Total</b>		<b>12,035</b>	<b>12,073</b>	<b>11,689</b>	<b>11,705</b>	<b>11,630</b>	<b>12,172</b>	<b>12,414</b>
42	⇒ Transport	Mileage Allowance	59	66	62	62	62	62	62
(1)		Pool Car	23	32	70	86	86	86	86
220		Vehicle Insurance	168	167	173	178	178	178	178
22		Public Transport	24	28	25	25	25	25	25
1,016		Operating Costs	944	926	927	945	945	945	945
25		Contract Hire & operating leases	15	19	19	19	19	19	19
<b>1,324</b>	<b>Transport Total</b>		<b>1,233</b>	<b>1,237</b>	<b>1,276</b>	<b>1,315</b>	<b>1,315</b>	<b>1,315</b>	<b>1,315</b>
117	⇒ Benefit & Transfer Payments	Irrecoverable V A T	112	117	106	106	106	106	106
403		Levies	436	408	408	408	408	408	408
1		Services	10	1	1	1	1	1	1
1,468		Contributions paid	1,396	1,356	1,067	1,067	1,067	1,067	1,067
874		Grants	1,041	900	868	829	829	829	829
33,112		Benefits	29,366	24,041	26,102	23,251	11,896	11,896	11,896
<b>35,974</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>32,361</b>	<b>26,822</b>	<b>28,550</b>	<b>25,660</b>	<b>14,306</b>	<b>14,306</b>	<b>14,306</b>
0	⇒ Renewals Fund Contribution	Renewals Fund Contribution	35	33	33	33	33	33	33
0		Repairs & Maintenance	0	0	25	25	25	25	25
<b>0</b>	<b>Renewals Fund Contribution Total</b>		<b>35</b>	<b>33</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>
(19,989)	⇒ Income & Fees	Fees & charges	(20,278)	(17,910)	(17,683)	(17,790)	(17,902)	(17,991)	(18,016)
(1,203)		Sales	(1,098)	(1,039)	(1,007)	(1,010)	(1,012)	(1,022)	(1,022)
(3,729)		Rent	(4,854)	(5,795)	(6,047)	(5,683)	(5,738)	(5,885)	(6,331)
122		Bad Debts Provision	136	152	167	187	187	177	177
(33,028)		Government grants	(29,702)	(24,349)	(26,114)	(23,271)	(11,931)	(11,930)	(11,930)
(3,077)		Other grants and contributions	(2,207)	(3,177)	(3,247)	(3,238)	(3,264)	(3,264)	(3,265)
0		Commuted sums	(151)	(151)	(151)	(151)	(151)	(151)	(151)
(564)		Interest	(542)	(533)	(533)	(533)	(533)	(533)	(533)
<b>(61,468)</b>	<b>Income &amp; Fees Total</b>		<b>(58,696)</b>	<b>(52,803)</b>	<b>(54,615)</b>	<b>(51,490)</b>	<b>(40,345)</b>	<b>(40,600)</b>	<b>(41,071)</b>
<b>17,314</b>	<b>Net Expenditure</b>		<b>16,835</b>	<b>17,157</b>	<b>17,688</b>	<b>18,220</b>	<b>18,491</b>	<b>19,328</b>	<b>19,636</b>
78,782	Gross Service Expenditure		75,531	69,959	72,303	69,710	58,836	59,928	60,707
(61,468)	Gross Service Income		(58,696)	(52,803)	(54,615)	(51,490)	(40,345)	(40,600)	(41,071)
<b>17,314</b>	<b>Net Service Expenditure</b>		<b>16,835</b>	<b>17,157</b>	<b>17,688</b>	<b>18,220</b>	<b>18,491</b>	<b>19,328</b>	<b>19,636</b>
<b>Budget Totals by Responsible Officer</b>									
3,467	Chief Operating Officer		3,989	4,194	4,359	4,568	4,751	4,869	4,999
270	Assistant Director Transformation		0	0	408	335	313	513	484
4,997	Assistant Director Corporate Services		4,671	5,042	4,802	5,270	5,399	5,592	5,392
279	Head of Leisure & Health		(37)	(20)	(215)	(371)	(394)	(328)	(250)
4,614	Head of Operations		4,146	3,852	4,437	4,481	4,476	4,635	4,829
2,120	Head of 3C's ICT Shared Service		2,145	2,145	2,139	2,144	2,169	2,234	2,300
774	Corporate Leadership Team		844	815	669	682	695	708	722
0	Programmes Delivery Manager		0	0	70	71	72	74	75
177	Housing Manager		198	220	177	180	183	186	189
615	Planning Manager		879	908	842	860	828	846	896

## Analysis of Budget Variations - HDC Total Budget

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£	£
<b>Previous MTFS Totals</b>	<b>17,157</b>	<b>16,699</b>	<b>18,010</b>	<b>18,172</b>	<b>18,631</b>	<b>18,631</b>
<b>New Bids Added</b>						
Chief Operating Officer		75	75	75	225	225
Strategic Housing and Planning		(47)	(47)	(47)	(47)	(47)
Head of Leisure and Health		279	270	316	373	340
Head of Operations		634	106	95	123	167
Corporate Leadership Team		0	0	0	0	0
Head of 3C ICT		18	0	0	0	0
Head of Resources		(308)	(540)	(507)	(637)	(911)
Head of Transformation		179	32	(10)	(29)	(66)
		<b>830</b>	<b>(104)</b>	<b>(78)</b>	<b>8</b>	<b>(292)</b>
<b>Impact of Other Changes</b>						
Inflation Assumptions		216	442	661	917	1,482
General Salary Changes		140	10	(140)	(303)	(292)
Transfer of Sawtry Leisure Facility		(12)	36	(8)	(16)	(11)
Misc Adjustments		(184)	(173)	(115)	92	119
		<b>159</b>	<b>315</b>	<b>398</b>	<b>690</b>	<b>1,297</b>
<b>New MTFS Total</b>	<b>17,157</b>	<b>17,688</b>	<b>18,221</b>	<b>18,492</b>	<b>19,329</b>	<b>19,636</b>

\* Controllable Budgets – Support Service Costs (e.g. HR and Financial Services) are not allocated out to the service budgets in the tables above and in the Head of Service tables that follow. The support service budgets are shown in full under the Head of Service responsible for that support service. Therefore, the Controllable Budgets do not represent the total cost of a service.

## 2.2 Service Budgets by Head of Service

Table 9

### Chief Operating Officer

Actuals 2018/19	Subjective Analysis : Controllable Only	2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£		£	£	£	£	£	£	£
4,580	⊖Employees Salary	4,754	4,964	4,931	5,010	5,073	5,174	5,278
429	National Insurance	436	472	463	473	479	489	499
742	Pension	764	796	805	821	832	849	866
80	Hired Staff	79	0	0	0	0	0	0
15	Training	6	5	5	5	5	5	5
17	Other staff costs	21	23	23	23	23	23	23
17	Recruitment	9	0	0	0	0	0	0
2	Severance payments	0	0	0	0	0	0	0
0	Uniform & laundry	(1)	(1)	1	(1)	1	1	1
<b>5,881</b>	<b>Employee Total</b>	<b>6,068</b>	<b>6,258</b>	<b>6,228</b>	<b>6,331</b>	<b>6,413</b>	<b>6,541</b>	<b>6,671</b>
34	⊖Buildings Rents	3	2	2	2	2	2	2
121	Repairs & Maintenance	121	81	119	117	119	119	119
13	Energy Costs	14	28	28	28	28	28	28
0	Rates	0	1	1	1	1	1	1
29	Water Services	32	28	28	28	28	28	28
<b>197</b>	<b>Buildings Total</b>	<b>170</b>	<b>139</b>	<b>177</b>	<b>176</b>	<b>177</b>	<b>177</b>	<b>177</b>
102	⊖Supplies & Services Rents	95	105	90	80	80	80	80
2	Catering	0	1	1	1	1	1	1
144	Communication and computing	79	119	127	127	127	127	127
334	Services	418	459	387	377	377	377	377
32	Equipment, furniture & materials	18	24	24	24	24	24	24
42	Office expenses	(6)	55	12	12	12	12	12
0	Uniform & laundry	0	0	0	0	0	0	0
0	Expenses	0	0	0	0	0	0	0
<b>656</b>	<b>Supplies &amp; Services Total</b>	<b>605</b>	<b>764</b>	<b>641</b>	<b>621</b>	<b>621</b>	<b>621</b>	<b>621</b>
13	⊖Transport Mileage Allowance	21	24	23	23	23	23	23
56	Operating Costs	21	14	20	20	20	20	20
6	Public Transport	7	11	9	9	9	9	9
27	Pool Car	14	21	21	21	21	21	21
<b>102</b>	<b>Transport Total</b>	<b>64</b>	<b>69</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>73</b>
256	⊖Benefit & Transfer Payments Grants	345	253	253	253	253	253	253
6	Irrecoverable V A T	6	6	6	6	6	6	6
1,389	Contributions paid	1,307	1,273	984	984	984	984	984
33,112	Benefits	29,366	24,041	26,102	23,251	11,896	11,896	11,896
<b>34,763</b>	<b>Benefit &amp; Transfer Payments Total</b>	<b>31,023</b>	<b>25,572</b>	<b>27,344</b>	<b>24,493</b>	<b>13,139</b>	<b>13,139</b>	<b>13,139</b>
0	⊖Renewals Fund Contribution Renewals Fund Contribution	10	8	8	8	8	8	8
<b>0</b>	<b>Renewals Fund Contribution Total</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
(5,094)	⊖Income & Fees Fees & charges	(4,462)	(4,322)	(4,067)	(3,951)	(3,838)	(3,839)	(3,839)
(116)	Rent	(120)	(110)	(110)	(110)	(110)	(110)	(110)
(12)	Other grants and contributions	(19)	(3)	(3)	(3)	(3)	(3)	(3)
38	Bad Debts Provision	110	122	137	157	157	147	147
(32,943)	Government grants	(29,451)	(24,296)	(26,061)	(23,219)	(11,878)	(11,877)	(11,877)
(6)	Sales	(8)	(7)	(7)	(7)	(7)	(7)	(7)
<b>(38,133)</b>	<b>Income &amp; Fees Total</b>	<b>(33,951)</b>	<b>(28,617)</b>	<b>(30,112)</b>	<b>(27,134)</b>	<b>(15,681)</b>	<b>(15,691)</b>	<b>(15,691)</b>
<b>3,467</b>	<b>Grand Total</b>	<b>3,989</b>	<b>4,194</b>	<b>4,359</b>	<b>4,568</b>	<b>4,751</b>	<b>4,869</b>	<b>4,999</b>

41,599	Gross Service Expenditure	37,939	32,812	34,472	31,702	20,432	20,559	20,689
(38,133)	Gross Service Income	(33,951)	(28,617)	(30,112)	(27,134)	(15,681)	(15,691)	(15,691)
<b>3,467</b>	<b>Net Service Expenditure</b>	<b>3,989</b>	<b>4,194</b>	<b>4,359</b>	<b>4,568</b>	<b>4,751</b>	<b>4,869</b>	<b>4,999</b>

845	Customer Services	748	804	822	836	854	871	888
(46)	Housing Miscellaneous	(50)	(38)	26	27	28	30	31
823	Housing Needs	1,016	1,066	1,146	1,170	1,184	1,189	1,205
1,093	Housing Benefits	1,154	1,050	1,371	1,511	1,605	1,637	1,670
(229)	Local Tax Collection	(224)	(228)	(228)	(228)	(228)	(228)	(228)
(135)	Council Tax Support	(122)	(123)	(122)	(121)	(120)	(119)	(119)
298	Document Centre	263	248	176	180	185	190	195
237	Business Team	248	260	278	273	279	285	290
(157)	Licensing	(132)	(105)	(63)	(57)	(52)	(46)	(41)
540	Community Team	541	584	541	547	553	560	567
285	Environmental Protection Team	320	314	375	381	390	398	405
(614)	Development Management	(406)	(320)	(426)	(402)	(379)	(354)	(327)
22	Head of Customer Services	108	108	0	0	0	0	0
0	Chief Operating Officer	0	0	103	105	107	109	111
84	Head of Development	85	87	0	0	0	0	0
117	Building Control	153	153	153	153	153	153	153
87	Head of Community	86	86	0	0	0	0	0
1	Closed Churchyards	2	(13)	(13)	(13)	(13)	(13)	(13)
125	Environmental Health Admin	110	143	144	129	126	128	131
6	Emergency Planning	12	12	12	12	12	12	12
85	Corporate Health & Safety	77	106	65	66	67	68	69



Table 10

## Assistant Director Transformation

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Fore cast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	
£			£	£	£	£	£	£	£	
154	⊖	Employees	Salary	180	0	457	376	342	330	299
18			National Insurance	20	0	37	37	38	39	40
26			Pension	31	0	57	58	59	60	61
6			Hired Staff	(6)	0	0	0	0	0	0
2			Training	4	0	10	10	10	10	10
0			Other staff costs	0	0	0	0	0	0	0
6			Recruitment	1	0	5	5	5	5	5
<b>213</b>		<b>Employees Total</b>		<b>231</b>	<b>0</b>	<b>565</b>	<b>487</b>	<b>454</b>	<b>444</b>	<b>415</b>
0	⊖	Buildings	Rents	0	0	0	0	0	0	0
0			Repairs & Maintenance	1	0	0	0	0	0	0
<b>0</b>		<b>Buildings Total</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	⊖	Supplies & Services	Catering	0	0	0	0	0	0	0
0			Communication and computing	0	0	1	1	1	1	1
46			Services	(232)	0	(203)	(210)	(200)	10	10
5			Equipment, furniture & materials	0	0	1	2	2	2	2
3			Office expenses	1	0	5	1	1	1	1
<b>55</b>		<b>Supplies &amp; Services Total</b>		<b>(231)</b>	<b>0</b>	<b>(196)</b>	<b>(207)</b>	<b>(197)</b>	<b>13</b>	<b>13</b>
0	⊖	Transport	Mileage Allowance	0	0	0	0	0	0	0
0			Operating Costs	0	0	1	1	1	1	1
1			Public Transport	0	0	0	0	0	0	0
0			Pool Car	0	0	39	55	55	55	55
<b>2</b>		<b>Transport Total</b>		<b>0</b>	<b>0</b>	<b>39</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>
0	⊖	Benefit & Transfer Payments	Grants	0	0	0	0	0	0	0
<b>0</b>		<b>Benefit &amp; Transfer Payments Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>270</b>		<b>Grand Total</b>		<b>0</b>	<b>0</b>	<b>408</b>	<b>335</b>	<b>313</b>	<b>513</b>	<b>484</b>
<b>270</b>		<b>Gross Service Expenditure</b>		<b>0</b>	<b>0</b>	<b>408</b>	<b>335</b>	<b>313</b>	<b>513</b>	<b>484</b>
<b>0</b>		<b>Gross Service Income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>270</b>		<b>Net Service Expenditure</b>		<b>0</b>	<b>0</b>	<b>408</b>	<b>335</b>	<b>313</b>	<b>513</b>	<b>484</b>
270		Transformation		0	0	408	335	313	513	484
<b>270</b>		<b>Grand Total</b>		<b>0</b>	<b>0</b>	<b>408</b>	<b>335</b>	<b>313</b>	<b>513</b>	<b>484</b>

Table 11

## Assistant Director Corporate Resources

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
1,260	≡ Employees	Salary	1,058	1,314	1,487	1,417	1,576	1,607	1,639
104		National Insurance	103	135	150	142	144	147	150
1,779		Pension	182	221	259	264	269	275	280
568		Hired Staff	487	22	74	22	22	22	22
103		Training	66	62	62	62	62	62	62
6		Other staff costs	1,586	1,584	1,584	1,584	1,584	1,615	1,648
8		Recruitment	11	0	0	0	0	0	0
193		Severance payments	177	178	169	160	152	152	152
195		Employee Insurance	198	195	216	238	238	238	238
<b>4,216</b>	<b>Employees Total</b>		<b>3,868</b>	<b>3,711</b>	<b>4,000</b>	<b>3,890</b>	<b>4,048</b>	<b>4,119</b>	<b>4,192</b>
168	≡ Buildings	Rents	179	145	145	145	169	169	169
74		Repairs & Maintenance	142	144	144	144	144	144	144
5		Energy Costs	9	7	7	7	7	7	7
7		Premises Cleaning	16	15	15	15	15	15	15
92		Premises Insurance	99	96	103	108	108	108	108
35		Rates	47	28	29	30	31	32	33
0		Water Services	0	0	0	0	0	0	0
<b>381</b>	<b>Buildings Total</b>		<b>492</b>	<b>434</b>	<b>443</b>	<b>448</b>	<b>473</b>	<b>474</b>	<b>475</b>
8	≡ Supplies & Services	Rents	154	150	150	150	150	150	150
2		Catering	2	3	3	3	3	3	3
167		Communication and computing	232	117	117	117	160	160	160
3,317		Services	4,212	5,599	5,360	5,561	5,494	5,761	5,933
4		Equipment, furniture & materials	0	0	3	3	3	3	3
185		Office expenses	219	144	134	144	169	169	169
83		Insurance - service related	79	73	75	77	77	77	77
334		Members Allowances	384	402	402	402	402	402	402
<b>4,100</b>	<b>Supplies &amp; Services Total</b>		<b>5,284</b>	<b>6,489</b>	<b>6,245</b>	<b>6,458</b>	<b>6,459</b>	<b>6,727</b>	<b>6,899</b>
9	≡ Transport	Mileage Allowance	7	11	11	11	11	11	11
0		Operating Costs	0	0	0	0	0	0	0
4		Public Transport	2	3	3	3	3	3	3
0		Pool Car	0	1	1	1	1	1	1
207		Vehicle Insurance	165	166	171	176	176	176	176
0		Contract Hire & operating leases	0	0	0	0	0	0	0
<b>220</b>	<b>Transport Total</b>		<b>175</b>	<b>180</b>	<b>185</b>	<b>191</b>	<b>191</b>	<b>191</b>	<b>191</b>
0	≡ Benefit & Transfer Payments	Services	0	0	0	0	0	0	0
2		Grants	40	39	39	0	0	0	0
21		Irrecoverable V A T	20	21	21	21	21	21	21
94		Contributions paid	89	83	83	83	83	83	83
403		Levies	436	408	408	408	408	408	408
<b>520</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>585</b>	<b>550</b>	<b>550</b>	<b>511</b>	<b>511</b>	<b>511</b>	<b>511</b>
(497)	≡ Income & Fees	Fees & charges	(472)	(400)	(447)	(418)	(418)	(418)	(418)
(3,427)		Rent	(4,512)	(5,403)	(5,655)	(5,291)	(5,346)	(5,493)	(5,939)
(1)		Other grants and contributions	(21)	0	0	0	0	0	0
(564)		Interest	(542)	(533)	(533)	(533)	(533)	(533)	(533)
83		Bad Debts Provision	26	30	30	30	30	30	30
(31)		Government grants	(213)	(17)	(17)	(17)	(17)	(17)	(17)
(3)		Sales	(0)	0	0	0	0	0	0
<b>(4,439)</b>	<b>Income &amp; Fees Total</b>		<b>(5,733)</b>	<b>(6,322)</b>	<b>(6,621)</b>	<b>(6,228)</b>	<b>(6,283)</b>	<b>(6,430)</b>	<b>(6,876)</b>
<b>4,997</b>	<b>Grand Total</b>		<b>4,671</b>	<b>5,042</b>	<b>4,802</b>	<b>5,270</b>	<b>5,399</b>	<b>5,592</b>	<b>5,392</b>

9,437	<b>Gross Service Expenditure</b>	10,404	11,364	11,423	11,498	11,682	12,022	12,268
(4,439)	<b>Gross Service Income</b>	(5,733)	(6,322)	(6,621)	(6,228)	(6,283)	(6,430)	(6,876)
<b>4,997</b>	<b>Net Service Expenditure</b>	<b>4,671</b>	<b>5,042</b>	<b>4,802</b>	<b>5,270</b>	<b>5,399</b>	<b>5,592</b>	<b>5,392</b>

0	Transformation	(26)	(101)	(7)	(42)	(93)	(131)	(133)
4,604	Corporate Finance	4,854	5,005	5,136	5,381	5,823	6,158	6,363
90	Head of Resources	89	89	106	108	110	112	114
(2,753)	Commercial Estates	(3,221)	(2,792)	(3,587)	(3,236)	(3,495)	(3,636)	(4,075)
621	Human Resources	468	492	589	454	460	467	473
501	Risk Management	481	481	516	550	550	550	550
193	Legal	210	224	224	224	224	224	224
141	Audit	150	143	137	139	142	144	146
767	Finance	820	666	795	798	811	825	838
60	Procurement	46	26	62	48	35	36	37
775	Democratic & Elections	799	811	831	845	833	844	854
<b>4,997</b>	<b>Grand Total</b>	<b>4,671</b>	<b>5,042</b>	<b>4,802</b>	<b>5,270</b>	<b>5,399</b>	<b>5,592</b>	<b>5,392</b>

Table 12

## Head of Leisure &amp; Health

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
3,719	≡	<b>Employees</b>	3,779	3,983	3,770	3,820	3,897	3,975	4,054
215		Salary	211	221	209	210	215	219	223
418		National Insurance	425	475	463	467	477	486	496
9		Pension	9	12	0	0	0	0	0
17		Hired Staff	19	3	0	0	0	0	0
22		Training	27	1	(99)	(101)	(103)	(105)	(107)
5		Other staff costs	0	0	77	79	79	82	82
6		Recruitment	7	9	11	8	11	11	11
		Uniform & laundry							
<b>4,413</b>		<b>Employees Total</b>	<b>4,477</b>	<b>4,704</b>	<b>4,430</b>	<b>4,484</b>	<b>4,575</b>	<b>4,668</b>	<b>4,759</b>
12	≡	<b>Buildings</b>	11	10	10	10	10	10	10
331		Rents	307	294	238	266	251	253	251
121		Repairs & Maintenance	126	132	117	117	117	117	117
505		Premises Cleaning	607	630	629	590	590	590	590
215		Energy Costs	10	22	14	14	15	14	14
69		Ground Maintenance Costs	106	117	83	83	83	83	83
473		Water Services	479	480	459	473	487	501	516
0		Rates	0	0	0	0	0	0	0
		Fixtures & Fittings							
<b>1,726</b>		<b>Buildings Total</b>	<b>1,646</b>	<b>1,687</b>	<b>1,549</b>	<b>1,552</b>	<b>1,552</b>	<b>1,567</b>	<b>1,580</b>
16	≡	<b>Supplies &amp; Services</b>	17	16	17	17	17	17	17
87		Catering	82	83	78	80	82	80	80
148		Communication and computing	170	195	210	255	253	274	274
448		Services	470	497	465	473	467	477	476
139		Equipment, furniture & materials	142	142	142	142	142	142	142
0		Office expenses	0	0	0	0	0	0	0
2		Uniform & laundry	0	0	0	0	0	0	0
0		Insurance - service related	0	0	0	0	0	0	0
		Expenses							
<b>840</b>		<b>Supplies &amp; Services Total</b>	<b>881</b>	<b>935</b>	<b>912</b>	<b>967</b>	<b>961</b>	<b>990</b>	<b>990</b>
10	≡	<b>Transport</b>	10	10	10	10	10	10	10
6		Mileage Allowance	9	8	9	9	9	9	9
2		Operating Costs	2	2	0	0	0	0	0
0		Public Transport	0	0	0	0	0	0	0
		Contract Hire & operating leases							
<b>18</b>		<b>Transport Total</b>	<b>21</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
0	≡	<b>Benefit &amp; Transfer Payments</b>	9	0	0	0	0	0	0
81		Services	78	81	70	70	70	70	70
		Irrecoverable V A T							
<b>81</b>		<b>Benefit &amp; Transfer Payments Total</b>	<b>88</b>	<b>81</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
0	≡	<b>Renewals Fund Contribution</b>	0	25	25	25	25	25	25
0		Repairs & Maintenance							
		Renewals Fund Contribution							
<b>0</b>		<b>Renewals Fund Contribution Total</b>	<b>0</b>	<b>25</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
(5,919)	≡	<b>Income &amp; Fees</b>	(6,310)	(6,613)	(6,405)	(6,704)	(6,810)	(6,871)	(6,896)
(750)		Fees & charges	(776)	(817)	(785)	(788)	(790)	(800)	(800)
(125)		Sales	(82)	(36)	(49)	(15)	(15)	(16)	(16)
(4)		Other grants and contributions	(7)	(5)	(5)	(5)	(5)	(5)	(5)
(1)		Rent	0	0	0	0	0	0	0
		Government grants							
<b>(6,799)</b>		<b>Income &amp; Fees Total</b>	<b>(7,174)</b>	<b>(7,471)</b>	<b>(7,244)</b>	<b>(7,513)</b>	<b>(7,620)</b>	<b>(7,692)</b>	<b>(7,718)</b>
<b>279</b>		<b>Grand Total</b>	<b>(62)</b>	<b>(20)</b>	<b>(215)</b>	<b>(371)</b>	<b>(394)</b>	<b>(328)</b>	<b>(250)</b>

7,078	<b>Gross Service Expenditure</b>	7,113	7,451	7,029	7,142	7,226	7,364	7,468
(6,799)	<b>Gross Service Income</b>	(7,174)	(7,471)	(7,244)	(7,513)	(7,620)	(7,692)	(7,718)
<b>279</b>	<b>Net Service Expenditure</b>	<b>(62)</b>	<b>(20)</b>	<b>(215)</b>	<b>(371)</b>	<b>(394)</b>	<b>(328)</b>	<b>(250)</b>

81	Head of Leisure & Health	83	83	85	87	88	90	92
344	One Leisure Active Lifestyles	178	177	156	152	147	149	153
(146)	Leisure Centres Corporate	(322)	(280)	(456)	(610)	(630)	(568)	(495)
<b>279</b>	<b>Grand Total</b>	<b>(62)</b>	<b>(20)</b>	<b>(215)</b>	<b>(371)</b>	<b>(394)</b>	<b>(328)</b>	<b>(250)</b>

Table 13

## Head of Operations

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
4,041	☐Employees	Salary	4,213	4,456	4,733	4,865	4,926	5,028	5,129
357		National Insurance	374	389	406	418	423	431	440
658		Pension	728	792	817	831	847	864	881
722		Hired Staff	480	193	209	209	209	209	209
19		Training	1	1	1	1	1	1	1
154		Other staff costs	161	152	152	152	152	152	152
2		Recruitment	4	0	0	0	0	0	0
22		Severance payments	16	0	0	0	0	0	0
0		Employee Insurance	0	0	0	0	0	0	0
35		Uniform & laundry	36	32	32	32	32	32	32
<b>6,010</b>	<b>Employees Total</b>		<b>6,015</b>	<b>6,015</b>	<b>6,350</b>	<b>6,507</b>	<b>6,590</b>	<b>6,717</b>	<b>6,845</b>
12	☐Buildings	Rents	11	13	13	13	13	13	13
461		Repairs & Maintenance	503	518	608	598	623	624	627
224		Energy Costs	227	229	233	233	233	233	233
102		Premises Cleaning	94	94	94	94	94	94	94
0		Premises Insurance	0	0	0	0	0	0	0
603		Rates	651	688	709	730	752	774	797
14		Water Services	42	19	44	44	44	44	44
4		Ground Maintenance Costs	1	1	1	1	1	1	1
0		Fixtures & Fittings	0	0	0	0	0	0	0
<b>1,419</b>	<b>Buildings Total</b>		<b>1,529</b>	<b>1,562</b>	<b>1,701</b>	<b>1,712</b>	<b>1,759</b>	<b>1,782</b>	<b>1,809</b>
2	☐Supplies & Services	Catering	0	0	0	0	0	0	0
109		Communication and computing	113	63	38	38	38	38	38
630		Services	582	204	338	252	222	257	297
341		Equipment, furniture & materials	257	238	247	240	240	240	240
44		Office expenses	54	53	73	73	73	73	73
12		Insurance - service related	12	4	4	4	4	4	4
<b>1,138</b>	<b>Supplies &amp; Services Total</b>		<b>1,018</b>	<b>562</b>	<b>700</b>	<b>607</b>	<b>577</b>	<b>612</b>	<b>652</b>
(1)	☐Transport	Mileage Allowance	3	4	4	4	4	4	4
951		Operating Costs	914	903	898	916	916	916	916
1		Public Transport	1	1	1	1	1	1	1
(31)		Pool Car	4	5	5	5	5	5	5
13		Vehicle Insurance	3	1	1	1	1	1	1
22		Contract Hire & operating leases	15	18	18	18	18	18	18
<b>955</b>	<b>Transport Total</b>		<b>940</b>	<b>932</b>	<b>927</b>	<b>945</b>	<b>945</b>	<b>945</b>	<b>945</b>
490	☐Benefit & Transfer Payments	Grants	499	504	504	504	504	504	504
9		Irrecoverable V A T	8	9	9	9	9	9	9
<b>499</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>507</b>	<b>513</b>	<b>513</b>	<b>513</b>	<b>513</b>	<b>513</b>	<b>513</b>
(4,974)	☐Income & Fees	Fees & charges	(5,132)	(4,941)	(4,962)	(5,012)	(5,118)	(5,143)	(5,143)
(182)		Rent	(215)	(277)	(277)	(277)	(277)	(277)	(277)
(33)		Other grants and contributions	(121)	(138)	(138)	(138)	(138)	(138)	(138)
(29)		Government grants	(14)	(16)	(16)	(16)	(16)	(16)	(16)
(188)		Sales	(229)	(209)	(209)	(209)	(209)	(209)	(209)
0		Commuted sums	(151)	(151)	(151)	(151)	(151)	(151)	(151)
<b>(5,406)</b>	<b>Income &amp; Fees Total</b>		<b>(5,862)</b>	<b>(5,733)</b>	<b>(5,754)</b>	<b>(5,804)</b>	<b>(5,909)</b>	<b>(5,935)</b>	<b>(5,935)</b>
<b>4,614</b>	<b>Grand Total</b>		<b>4,146</b>	<b>3,852</b>	<b>4,437</b>	<b>4,481</b>	<b>4,476</b>	<b>4,635</b>	<b>4,829</b>

10,020,557	<b>Gross Service Expenditure</b>	10,009	9,584	10,191	10,285	10,385	10,570	10,764
(5,406,365)	<b>Gross Service Income</b>	(5,862)	(5,733)	(5,754)	(5,804)	(5,909)	(5,935)	(5,935)
<b>4,614,192</b>	<b>Net Service Expenditure</b>	<b>4,146</b>	<b>3,852</b>	<b>4,437</b>	<b>4,481</b>	<b>4,476</b>	<b>4,635</b>	<b>4,829</b>

1,086	Facilities Management	880	748	867	885	902	920	938
1,214	Green Spaces	1,030	1,024	1,106	951	967	983	1,000
94	Head of Operations	80	82	83	85	87	88	90
84	Environmental & Energy Mgt	217	216	219	205	210	216	222
7	Public Conveniences	18	18	6	6	6	6	6
2,436	Waste Management	2,397	2,386	2,518	2,729	2,725	2,824	2,923
892	Street Cleansing	789	734	804	777	786	801	816
(1,460)	Car Parks - Off Street	(1,594)	(1,535)	(1,445)	(1,434)	(1,501)	(1,511)	(1,489)
(33)	Car Park - On Street	(49)	(132)	(132)	(132)	(132)	(132)	(132)
249	Fleet Management	259	265	300	304	309	313	317
(51)	Markets	(44)	(65)	(35)	(48)	(46)	(44)	(42)
(72)	CCTV	(90)	(89)	(89)	(89)	(89)	(89)	(89)
167	CCTV Shared Service	253	198	233	242	250	259	268
<b>4,614</b>	<b>Grand Total</b>	<b>4,146</b>	<b>3,852</b>	<b>4,437</b>	<b>4,481</b>	<b>4,476</b>	<b>4,635</b>	<b>4,829</b>

Table 14

## Head of 3C ICT Shared Service

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
2,225	▣ Employees	Salary	2,412	2,339	2,442	2,491	2,541	2,592	2,644
236		National Insurance	240	234	250	255	260	265	271
384		Pension	404	405	431	440	448	457	466
354		Hired Staff	143	92	74	74	74	74	74
21		Training	31	44	44	44	44	44	44
59		Other staff costs	13	37	37	37	37	37	37
57		Recruitment	7	15	10	10	10	10	10
1		Uniform & laundry	1	1	1	1	1	1	1
0		Employee Insurance	0	0	0	0	0	0	0
<b>3,337</b>	<b>Employees Total</b>		<b>3,250</b>	<b>3,167</b>	<b>3,290</b>	<b>3,352</b>	<b>3,416</b>	<b>3,481</b>	<b>3,547</b>
0	▣ Buildings	Rents	0	0	0	0	0	0	0
295		Repairs & Maintenance	350	246	246	246	246	246	246
<b>295</b>	<b>Buildings Total</b>		<b>350</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>
0	▣ Supplies & Services	Catering	0	1	1	1	1	1	1
3,827		Communication and computing	3,790	2,830	2,787	2,768	2,768	2,768	2,768
473		Services	42	43	42	42	42	42	42
549		Equipment, furniture & materials	313	227	227	227	227	227	227
(32)		Office expenses	12	13	12	12	12	12	12
0		Insurance - service related	0	0	0	0	0	0	0
<b>4,818</b>	<b>Supplies &amp; Services Total</b>		<b>4,157</b>	<b>3,114</b>	<b>3,069</b>	<b>3,050</b>	<b>3,050</b>	<b>3,050</b>	<b>3,050</b>
9	▣ Transport	Mileage Allowance	12	10	10	10	10	10	10
2		Operating Costs	0	0	0	0	0	0	0
4		Public Transport	7	8	8	8	8	8	8
2		Pool Car	2	4	4	4	4	4	4
3		Contract Hire & operating leases	0	1	1	1	1	1	1
<b>20</b>	<b>Transport Total</b>		<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
0	▣ Benefit & Transfer Payments	Services	0	0	0	0	0	0	0
(16)		Contributions paid	0	0	0	0	0	0	0
<b>(16)</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(3,172)	▣ Income & Fees	Fees & charges	(3,585)	(1,400)	(1,427)	(1,440)	(1,454)	(1,454)	(1,454)
(255)		Sales	(85)	(5)	(5)	(5)	(5)	(5)	(5)
(2,906)		Other grants and contributions	(1,964)	(3,000)	(3,057)	(3,082)	(3,107)	(3,107)	(3,107)
<b>(6,333)</b>	<b>Income &amp; Fees Total</b>		<b>(5,634)</b>	<b>(4,405)</b>	<b>(4,489)</b>	<b>(4,527)</b>	<b>(4,567)</b>	<b>(4,567)</b>	<b>(4,567)</b>
<b>2,120</b>	<b>Grand Total</b>		<b>2,145</b>	<b>2,145</b>	<b>2,139</b>	<b>2,144</b>	<b>2,169</b>	<b>2,234</b>	<b>2,300</b>
8,453	<b>Gross Service Expenditure</b>		7,779	6,551	6,628	6,672	6,735	6,800	6,867
(6,333)	<b>Gross Service Income</b>		(5,634)	(4,405)	(4,489)	(4,527)	(4,567)	(4,567)	(4,567)
<b>2,120</b>	<b>Net Service Expenditure</b>		<b>2,145</b>	<b>2,145</b>	<b>2,139</b>	<b>2,144</b>	<b>2,169</b>	<b>2,234</b>	<b>2,300</b>
2,120	ICT Shared Service	0	2,145	2,145	2,139	2,144	2,169	2,234	2,300
<b>2,120</b>	<b>Grand Total</b>	<b>0</b>	<b>2,145</b>	<b>2,145</b>	<b>2,139</b>	<b>2,144</b>	<b>2,169</b>	<b>2,234</b>	<b>2,300</b>

Table 15

## Corporate Leadership Team

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
582	☐ Employees	Salary	631	636	497	507	518	528	539
65		National Insurance	70	72	57	58	59	60	61
101		Pension	108	110	86	88	90	91	93
8		Training	8	9	9	9	9	9	9
0		Other staff costs	0	0	0	0	0	0	0
0		Severance payments	13	0	0	0	0	0	0
<b>756</b>	<b>Employees Total</b>		<b>829</b>	<b>827</b>	<b>649</b>	<b>662</b>	<b>675</b>	<b>688</b>	<b>702</b>
2	☐ Buildings	Rents	2	0	0	0	0	0	0
<b>2</b>	<b>Buildings Total</b>		<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1	☐ Supplies & Services	Catering	1	1	1	1	1	1	1
3		Communication and computing	2	3	1	1	1	1	1
0		Services	7	(15)	5	5	5	5	5
1		Equipment, furniture & materials	0	1	0	0	0	0	0
18		Office expenses	16	18	18	18	18	18	18
<b>22</b>	<b>Supplies &amp; Services Total</b>		<b>26</b>	<b>7</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
2	☐ Transport	Mileage Allowance	3	3	2	2	2	2	2
2		Public Transport	2	1	1	1	1	1	1
0		Pool Car	0	0	0	0	0	0	0
<b>4</b>	<b>Transport Total</b>		<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
0	☐ Benefit & Transfer Payments	Services	1	1	1	1	1	1	1
<b>0</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
(10)	☐ Income & Fees	Fees & charges	(19)	(24)	(10)	(10)	(10)	(10)	(10)
(0)		Sales	0	0	0	0	0	0	0
<b>(10)</b>	<b>Income &amp; Fees Total</b>		<b>(19)</b>	<b>(24)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>
<b>774</b>	<b>Grand Total</b>		<b>844</b>	<b>815</b>	<b>669</b>	<b>682</b>	<b>695</b>	<b>708</b>	<b>722</b>

785	<b>Gross Service Expenditure</b>	863	838	679	692	705	718	732
(10)	<b>Gross Service Income</b>	(19)	(24)	(10)	(10)	(10)	(10)	(10)
<b>774</b>	<b>Net Service Expenditure</b>	<b>844</b>	<b>815</b>	<b>669</b>	<b>682</b>	<b>695</b>	<b>708</b>	<b>722</b>

283	Corporate Team	344	319	95	97	98	100	102
0	Business Change	0	0	41	43	44	45	46
0	Business Intelligence & Performa	0	0	24	24	25	25	26
491	Directors	500	496	508	518	528	538	549
<b>774</b>	<b>Grand Total</b>	<b>844</b>	<b>815</b>	<b>669</b>	<b>682</b>	<b>695</b>	<b>708</b>	<b>722</b>

Table 16

Programmes Delivery Manager

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
0	☐ Employees	Salary	0	0	54	55	56	57	58
0		National Insurance	0	0	6	6	6	7	7
0		Pension	0	0	9	9	10	10	10
0	<b>Employees Total</b>		<b>0</b>	<b>0</b>	<b>69</b>	<b>70</b>	<b>72</b>	<b>73</b>	<b>75</b>
0	☐ Supplies & Services	Office expenses	0	0	0	0	0	0	0
0	<b>Supplies &amp; Services Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	☐ Transport	Mileage Allowance	0	0	0	0	0	0	0
0		Public Transport	0	0	0	0	0	0	0
0		Pool Car	0	0	0	0	0	0	0
0	<b>Transport Total</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
0	<b>Grand Total</b>		<b>0</b>	<b>0</b>	<b>70</b>	<b>71</b>	<b>72</b>	<b>74</b>	<b>75</b>

0	<b>Gross Service Expenditure</b>	0	0	70	71	72	74	75
0	<b>Gross Service Income</b>	0	0	0	0	0	0	0
0	<b>Net Service Expenditure</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>71</b>	<b>72</b>	<b>74</b>	<b>75</b>

0	Programmes Delivery	0	0	70	71	72	74	75
0	<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>71</b>	<b>72</b>	<b>74</b>	<b>75</b>

Table 17

## Housing Manager

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
103	☐ Employees	Salary	129	150	116	119	121	124	126
9		National Insurance	11	14	11	12	12	12	12
18		Pension	22	26	20	21	21	21	22
28		Hired Staff	6	0	0	0	0	0	0
<b>158</b>	<b>Employees Total</b>		<b>168</b>	<b>189</b>	<b>148</b>	<b>151</b>	<b>154</b>	<b>157</b>	<b>160</b>
0	☐ Supplies & Services	Catering	0	0	0	0	0	0	0
1		Communication and computing	0	1	0	0	0	0	0
0		Services	2	2	0	0	0	0	0
1		Office expenses	0	1	0	0	0	0	0
<b>2</b>	<b>Supplies &amp; Services Total</b>		<b>3</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
0	☐ Transport	Mileage Allowance	1	1	1	1	1	1	1
0		Public Transport	0	0	0	0	0	0	0
0		Pool Car	0	0	0	0	0	0	0
<b>0</b>	<b>Transport Total</b>		<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
17	☐ Benefit & Transfer Payments	Grants	28	28	28	28	28	28	28
<b>17</b>	<b>Benefit &amp; Transfer Payments Total</b>		<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
0	☐ Income & Fees	Fees & charges	(1)	(2)	0	0	0	0	0
<b>0</b>	<b>Income &amp; Fees Total</b>		<b>(1)</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>177</b>	<b>Grand Total</b>		<b>198</b>	<b>220</b>	<b>177</b>	<b>180</b>	<b>183</b>	<b>186</b>	<b>189</b>
<b>177</b>	<b>Gross Service Expenditure</b>		<b>199</b>	<b>222</b>	<b>177</b>	<b>180</b>	<b>183</b>	<b>186</b>	<b>189</b>
<b>0</b>	<b>Gross Service Income</b>		<b>(1)</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>177</b>	<b>Net Service Expenditure</b>		<b>198</b>	<b>220</b>	<b>177</b>	<b>180</b>	<b>183</b>	<b>186</b>	<b>189</b>
177	Housing Strategy	0	198	220	177	180	183	186	189
<b>177</b>	<b>Grand Total</b>	<b>0</b>	<b>198</b>	<b>220</b>	<b>177</b>	<b>180</b>	<b>183</b>	<b>186</b>	<b>189</b>



Table 18

Planning Manager

Actuals 2018/19	Subjective Analysis : Controllable Only		2019/20 Forecast (August)	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
£			£	£	£	£	£	£	£
533	☐	<b>Employees</b>	600	669	693	707	722	736	751
54		Salary	59	67	69	71	72	74	75
93		National Insurance	104	116	120	122	125	127	130
5		Pension	0	0	0	0	0	0	0
4		Other staff costs	7	0	0	0	0	0	0
1		Recruitment	0	0	0	0	0	0	0
0		Training	0	0	0	0	0	0	0
		Uniform & laundry	0	0	0	0	0	0	0
<b>691</b>		<b>Employees Total</b>	<b>770</b>	<b>851</b>	<b>883</b>	<b>901</b>	<b>919</b>	<b>938</b>	<b>956</b>
0	☐	<b>Buildings</b>	2	2	2	2	2	2	2
		Rents	2	2	2	2	2	2	2
<b>0</b>		<b>Buildings Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
3	☐	<b>Supplies &amp; Services</b>	0	0	0	0	0	0	0
5		Catering	10	2	11	11	11	11	11
141		Communication and computing	270	186	266	156	106	106	137
10		Services	13	12	16	16	16	16	16
		Office expenses							
<b>159</b>		<b>Supplies &amp; Services Total</b>	<b>294</b>	<b>200</b>	<b>293</b>	<b>183</b>	<b>133</b>	<b>133</b>	<b>164</b>
1	☐	<b>Transport</b>	3	4	1	1	1	1	1
2		Mileage Allowance	2	2	2	2	2	2	2
0		Public Transport	1	1	1	1	1	1	1
		Pool Car							
<b>3</b>		<b>Transport Total</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
109	☐	<b>Benefit &amp; Transfer Payments</b>	129	77	45	45	45	45	45
		Grants							
<b>109</b>		<b>Benefit &amp; Transfer Payments Total</b>	<b>129</b>	<b>77</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
(323)	☐	<b>Income &amp; Fees</b>	(297)	(208)	(364)	(254)	(255)	(255)	(255)
(0)		Fees & charges	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(24)		Sales	(24)	(20)	(20)	(20)	(20)	(20)	(20)
		Government grants							
<b>(347)</b>		<b>Income &amp; Fees Total</b>	<b>(321)</b>	<b>(229)</b>	<b>(384)</b>	<b>(275)</b>	<b>(275)</b>	<b>(275)</b>	<b>(275)</b>
<b>615</b>		<b>Grand Total</b>	<b>879</b>	<b>908</b>	<b>842</b>	<b>860</b>	<b>828</b>	<b>846</b>	<b>896</b>

962	<b>Gross Service Expenditure</b>	1,200	1,137	1,227	1,135	1,103	1,122	1,171
(347)	<b>Gross Service Income</b>	(321)	(229)	(384)	(275)	(275)	(275)	(275)
<b>615</b>	<b>Net Service Expenditure</b>	<b>879</b>	<b>908</b>	<b>842</b>	<b>860</b>	<b>828</b>	<b>846</b>	<b>896</b>

23	Public Transport	26	26	24	24	24	24	24
38	Transportation Strategy	25	25	0	0	0	0	0
88	Economic Development	173	181	185	189	193	196	199
466	Planning Policy	655	675	633	647	611	626	673
<b>615</b>	<b>Grand Total</b>	<b>879</b>	<b>908</b>	<b>842</b>	<b>860</b>	<b>828</b>	<b>846</b>	<b>896</b>

## 3.0 CAPITAL

3.1 The detailed Draft Capital Programme for the period 2019/20 to 2023/24 is shown in **Table 19** below, along with the sources of finance. The revenue implications of the individual capital proposals are built into the individual revenue budgets and the impact of the proposed programme on the 2020/21 Minimum Revenue Position (MRP) is £2.4m. In addition there is an MRP increase in 2021/22 of £0.1m as a result of the funding of the general 2020/21 Capital Programme.

**Table 19**

Capital Programme	Budget	Medium Term Financial Strategy				
	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
<b>Gross Expenditure</b>						
<b>Chief Operating Officer</b>						
CCTV Camera Replacements	78					
CCTV Pathfinder House Resilience	20					
CCTV Wi-Fi	250					
Lone Worker Software	20					
Scanner	16					
Traveller Security Improvements	50					
Environmental Health Software	40					
Alconbury Weald Remediation						
Disabled Facilities Grants	2,260	2,250	2,250	2,200	2,150	2,100
<b>Corporate Resources</b>						
Huntingdon West Development						
A14 Upgrade	200	200	200	200	200	200
Housing Company	206					
Huntingdon Redevelopment (rephased)		8,500	7,595			
St Ives Redevelopment				6,800	8,500	1,700
<b>Leisure and Health</b>						
One Leisure St Neots Synthetic Pitch						
One Leisure Improvements	495	306	296	285	300	0
One Leisure Huntingdon Changing Facilities						
One Leisure Huntingdon Development						
One Leisure St Neots Pool	14					
One Leisure St Ives Burgess Hall						
One Leisure St Ives - New Fitness Offering	233					
One Leisure St Ives - New Fitness Offering (Rephase)						
One Leisure Ramsey 3G	754					
One Leisure Ramsey 3G (Rephase)						
One Leisure St Ives Swimming Changing Rooms	250					
One Leisure Impressions Equipment	531					
<b>Assistance Director of Resources</b>						
Industrial Unit Roof Replacement						
Income Management Software	62					
Oak Tree Car Park Development	58		1,500	6,500		
Alms Close Development	1,000	665				
Huntingdon Redevelopment (rephased)						
St Ives Redevelopment						
Financial Management System Replacement						
FMS Archive Solution	3					
Capita Upgrade	9					
Oak Tree Remedial Works	1,000	1,000				
Loan Facility to Huntingdon Town Council						
Investment in Trading Company	100					
Health and Safety Works on Commercial Properties	23					
Energy Efficiency Works at Commercial Properties	54	25	10	10	0	
VAT Partial Exemption	169	59	24	21	21	18
<b>Customer Services</b>						
E-forms						
Pathfinder House Reception DWP						
<b>3C ICT</b>						
Flexible Working - 3CSS	33					
Hardware Replacement				130	130	
Generator - 3ICT Backup		27				
Data Centre Storage		23				
Wi-Fi access points		12				
Robotics	50					
ICT Transformation	353					

<b>Operations</b>						
Civil Parking Enforcement		217				
Fencing	10	12	13	13	13	13
Lighting - Loves Farm Footpath		16				
Building Efficiencies - Salix (Rephase)	46					
Wheeled Bins	186	238	254	254	254	254
Vehicle Fleet Replacement	125	1,199	1,396	1,085	1,457	741
Play Equipment	35	53	30	30	30	30
Secure cycle storage		58	88			
Re-Fit Buildings (Rephase)	233					
Parking Strategy	315	37	80			
Bridge Place Car Park Godmanchester	397					
Bridge Place Car Park Godmanchester (Rephase)						
District wide signage		70				
Operations Back Office (Rephase)	290					
Pathfinder House Reception						
Hinchingbrook Country Park		1,550				
<b>Transformation</b>						
AV Equipment		30	15	15		
Customer Portal and Call Centre Software		30				
Voice Bots		34				
Customer Relationship Management	83					
<b>Total Gross Expenditure</b>	<b>10,051</b>	<b>16,611</b>	<b>13,751</b>	<b>17,543</b>	<b>13,055</b>	<b>5,056</b>

Capital Programme	Budget	Medium Term Financial Strategy				
	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
<b>Financing</b>						
<b>Grants and Contributions</b>						
DFGs	(1,366)	(1,300)	(1,200)	(1,200)	(1,200)	(1,200)
Pathfinder House Reception	(256)					
Wheeled Bins	(60)	(93)	(101)	(101)	(101)	(101)
Oak Tree Centre Development	(58)					
Play Equipment						
One Leisure Huntingdon Changing Rooms						
Synthetic Pitch	(462)					
One Leisure 3G Ramsey						
Back Office Reserve	(155)					
<b>Total Grants and Contributions</b>	<b>(2,357)</b>	<b>(1,393)</b>	<b>(1,301)</b>	<b>(1,301)</b>	<b>(1,301)</b>	<b>(1,301)</b>
<b>Use of Capital Reserves</b>						
Alconbury Remediation Works Reserve						
Community Infrastructure Levy Reserve						
<b>Total Capital Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Receipts</b>						
Bridge Place Sale	(384)					
Sst Ives Redevelopment				(6,800)	(8,500)	(1,700)
Loan Repayments	(320)	(320)	(320)	(320)	(320)	(320)
Housing Clawback Receipts	(500)	(500)	(450)	(400)	(400)	(400)
<b>Total Capital Receipts</b>	<b>(1,204)</b>	<b>(820)</b>	<b>(770)</b>	<b>(7,520)</b>	<b>(9,220)</b>	<b>(2,420)</b>
<b>Use of Earmarked Reserves</b>						
Financial Management System Replacement						
Capital Grant to Huntingdon Town Council						
Investment in Trading Company						
ICT Transformation						
FMS Archive						
<b>To Earmarked Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net to be funded by borrowing (Internal)</b>	<b>6,490</b>	<b>14,398</b>	<b>11,680</b>	<b>8,722</b>	<b>2,534</b>	<b>1,335</b>

*Internal Borrowing – this is from internal cash resources (working capital) from within the balance sheet (cash, debtors and creditor).*

## 4.0 TREASURY MANAGEMENT

4.1 The following gives a high level commentary on the Treasury Management activity that the Council is expecting to undertake during 2020/21.

- **Short Term Borrowing**

During any year the Council will undertake short term borrowing and lending to maintain effective daily cash flow balances. For the forthcoming year, it is estimated that the net cost of short-term borrowing will be £5,000; this is based on an estimated daily cash flow balance of £13.0m and a cost of borrowing based on an estimated interest rate of 0.30%.

- **Long Term Borrowing**

The Treasury Management Strategy permits the Council to borrow for the long-term to maintain effective working capital balances and to support back-to-back lending to external organisations. At the end of 2020/21, it is forecast that the total balances in respect of long-term borrowing will be £20.4m. The estimated cost of long term borrowing in 2020/21 is £0.61m.

4.2 During 2020/21 further long-term borrowing will occur to finance the Commercial Investment/Development Strategy. Borrowing of up to £xm is estimated, with an estimated cost of £xk in 2019/20 this is based on repayments for an annuity type loan and as a result will vary each year.

## 5.0 Capital Financing Requirement (CFR)

5.1 **Table 20** gives a summary of how, over the period of the MTFs, the Council's capital commitments and plans impact on its underlying need to borrow. **Tables 21** and **22** provide a more detailed breakdown of the CFR between the Council's mainstream Capital programme and the Capital Investment Strategy (CIS) respectively.

**Table 20**

Capital Financing Requirement - Total	Estimate 2019/20 £000s	Medium Term Financial Strategy				
		2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Opening Capital Financing Requirement	57,703	74,437	81,485	90,507	103,215	104,236
Closing Capital Financing Requirement	74,437	81,485	90,507	103,215	104,236	95,255
Increase/(Decrease) in Underlying Need to Borrow	16,734	7,049	9,021	12,708	1,021	(8,981)

**Table 21**

Capital Financing Requirement - General Capital Programme	Estimate 2019/20 £000s	Medium Term Financial Strategy				
		2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Opening Capital Financing Requirement	42,949	47,899	47,457	56,479	69,187	70,208
Capital Investment						
Property, Plant and Equipment	4,850	3,872	9,791	8,633	10,705	2,756
Investment Properties	2,235	1,690	1,510	6,510	0	0
Intangible Assets	300	99	0	0	0	0
Revenue Expenditure Funded From Capital Under Statute	2,460	2,450	2,450	2,400	2,350	2,300
Repayable Advances	206	0	0	0	0	0
<b>Additional Requirement</b>	<b>10,051</b>	<b>8,111</b>	<b>13,751</b>	<b>17,543</b>	<b>13,055</b>	<b>5,056</b>
Sources of Finance						
Capital Receipts	(1,204)	(1,204)	(820)	(770)	(7,520)	(9,220)
Capital Grants and Contributions	(1,475)	(5,050)	(1,393)	(1,301)	(1,301)	(1,301)
Use of Capital Grants Unapplied	0					
Direct Revenue Financing	0					
Minimum Revenue Provision	(2,422)	(2,299)	(2,516)	(2,764)	(3,213)	(3,516)
	(5,101)	(8,553)	(4,729)	(4,835)	(12,034)	(14,037)
Closing Capital Financing Requirement	47,899	47,457	56,479	69,187	70,208	61,227
Increase/(Decrease) in Underlying Need to Borrow	4,950	(441)	9,021	12,708	1,021	(8,981)

**Table 22**

Capital Financing Requirement - Commercial Investment Strategy	Estimate 2019/20 £000s	Medium Term Financial Strategy				
		2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
<b>Opening Capital Financing Requirement</b>	<b>14,754</b>	<b>26,538</b>	<b>34,028</b>	<b>34,028</b>	<b>34,028</b>	<b>34,028</b>
Capital Investment						
Investments	14,500	8,500				
<b>Additional Requirement</b>	<b>14,500</b>	<b>8,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of Finance</b>						
Capital Investment Earmarked Reserve	(2,716)	(1,010)				
	(2,716)	(1,010)	0	0	0	
<b>Closing Capital Financing Requirement</b>	<b>26,538</b>	<b>34,028</b>	<b>34,028</b>	<b>34,028</b>	<b>34,028</b>	<b>34,028</b>
<b>Increase/(Decrease) in Underlying Need to Borrow</b>	<b>11,784</b>	<b>7,490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6.0 Formal 2020/21 Council Tax Resolutions

6.1 The formal 2020/21 Council Tax resolutions to be agreed by Council are shown below.

- a) That the Council note the Council Tax Base for the whole Council area and individual Towns and Parishes (para 6.2) as approved by Cabinet on the 4 December 2019 (and subsequent publication as a key decision).

**The tax base (T) which is the amount anticipated from a District Council Tax of £1 is £62,854**

- b) That the following amounts calculated by the Council for 2020/21 in accordance with the requirements of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (the Act), the Local Government Finance Act 2012 and associated regulations :-

- |       |   |                     |
|-------|---|---------------------|
| (i)   | the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act<br><b>Gross revenue expenditure including benefits, Town/Parish Precepts</b>   | <b>£78,854,472</b>  |
| (ii)  | the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act<br><b>Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund.</b>  | <b>£63,134,970</b>  |
| (iii) | the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above in accordance with Section 31A (4) of the Act<br><b>This is the "Council Tax Requirement" including Parish/Town Precepts (item i minus item ii). It is the cash sum to be funded from District, Town and Parish Council Taxes.</b> | <b>£ 15,819,502</b> |
| (iv)  | the Council Tax requirement for 2020/21 divided by the tax base (T) in accordance with Section 31B (1) of the Act<br><b>District plus average Town/Parish Council Tax (item iii divided by District taxbase)</b>  | <b>£251.69</b>      |
| (v)   | the aggregate of all "Special Items" referred to in Section 34(1) of the Act.<br><b>The total value of Parish/Town precepts included in i and iii above.</b>  | <b>£6,651,265</b>   |
| (vi)  | the Basic Amount of Council Tax for 2019/20 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act.<br><b>The District Council's Band D Tax for 2020/21</b>   | <b>£145.86</b>      |

- (vii) the basic amounts of Council Tax for 2020/21 for those parts of the District to which one or more special items (Parish/Town precepts) relate in accordance with Section 34 (3) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount in column "band D" set out in Table 1 attached.
  - (viii) the amounts to be taken into account for 2019/20 in respect of categories of dwellings listed in particular valuation bands in accordance with Section 36 (1) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount for each of the valuation bands in the columns "bands A to H" set out in Table 1 attached.
- (c) That the amounts of precept issued to the Council by Cambridgeshire County Council, Cambridgeshire Police Authority, Cambridgeshire & Peterborough Fire Authority and for each Parish Council for each of the categories of dwellings listed in different valuation bands in accordance with Section 40 of the Act shown in para 6.3 attached be noted.
  - (d) That, having regard to the calculations above, the Council, in accordance with Section 30 (2) of the Act, hereby sets the figures shown in para 6.4 as the amounts of Council Tax for 2020/21 for each of the categories of dwelling shown. ***This is the total Council Tax to be collected, incorporating the requirements of all of the relevant bodies, for each town or parish area.***
  - (e) The Council notes that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its Council Tax for 2020/21 is not excessive. ***The basic amount at b(vi) above is not excessive as defined by the Government.***



## 6.2 Tax Base 2020/21

Based on the information contained within this report, it is recommended that pursuant to the Revenues and Benefits Manager's report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amounts calculated by the Huntingdonshire District Council as their (net) tax base for the whole District for the year 2020/21 be 62,854 and shall be as listed below for each Town or Parish of the District:

Abbotsley	260
Abbots Ripton	133
Alconbury	574
Alconbury Weston	292
Alwalton	119
Barham & Woolley	30
Bluntisham	746
Brampton	2253
Brington & Molesworth	173
Broughton	95
Buckden (incorporating Diddington)	1196
Buckworth	54
Bury	639
Bythorn & Keyston	150
Catworth	161
Chesterton	62
Colne	372
Conington	74
Covington	45
Denton & Caldecote	27
Earith	599
Easton	76
Ellington	242
Elton	289
Farcet	528
Fenstanton	1273
Folksworth & Washingley	348
Glatton	133
Godmanchester	2759
Grafham	235
Great & Little Gidding	125
Great Gransden	446
Great Paxton	365
Great Staughton	326
Haddon	23
Hail Weston	245
Hamerton & Steeple Gidding	53
Hemingford Abbots	332
Hemingford Grey	1282
Hilton	455
Holme	248
Holywell-cum-Needingworth	985
Houghton & Wyton	782
Huntingdon	7643

Kimbolton & Stonely	598
Kings Ripton	84
Leighton Bromswold	79
Little Paxton	1552
Morborne	12
Offord Cluny & Offord D'Arcy	530
Old Hurst	102
Old Weston	99
Perry	268
Pidley-cum-Fenton	174
Ramsey	2902
St Ives	6010
St Neots	11074
Sawtry	1936
Sibson-cum-Stibbington	231
Somersham	1407
Southoe & Midloe	157
Spaldwick	247
Stilton	776
Stow Longa	69
The Stukeleys	864
Tilbrook	124
Toseland	38
Upton & Coppingford	89
Upwood & The Raveleys	434
Warboys	1525
Waresley-cum-Tetworth	144
Water Newton	41
Winwick	46
Wistow	226
Woodhurst	153
Woodwalton	83
Wyton-on-the-Hill	429
Yaxley	2951
Yelling	153
	62854

**6.3 2020/21 Council Tax by Property Band for each Precepting Authority and the Billing Authority**

***This table will be completed after the Council's Full Council meeting scheduled for the 26 February when the Council receives the precepts from Cambridgeshire County Council, Fire and Police Authorities.***

**6.4 Total 2020/21 Council Tax by Property Band for each Precepting Authority and the Billing Authority**

***This table will be completed after the Council's Full Council meeting scheduled for the 26 February when the Council receives the precepts from Cambridgeshire County Council, Fire and Police Authorities.***

## 7. Fees and Charges

- 7.1 The Fees and Charges that will be applicable from April 2020 to March 2021 have been included in **Annex A**. These fees and charges are correct at the time of reporting but there may be changes throughout the year that will be agreed by the Executive Councillor and the S151 Officer.

## 8.0 Robustness of the 2020/21 Budget and Medium Term Financial Strategy

- 8.1 The Section 25 of Local Government Act 2003 requires me, as the Council's Responsible Financial Officer, to report on the robustness of the 2020/21 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax. Further, this is an opportunity for me to provide some commentary in respect of the period covered by the Medium Term Financial Strategy (MTFS).

### 8.2 Robustness and Budget Setting

- 8.2.1 At the time of writing, the 2019/20 Quarter 3 Integrated Performance Report is reporting a forecast underspend of £569k in respect of service expenditure. This is due to staff savings and additional income.

- 8.2.2 As in previous years, the Council has reviewed its service expenditure, together in consultation with the Executive Councillors. In liaison with the Senior Management Team, savings and growth proposals (£1.4m and £2.3m respectively) have been developed by officers and Executive Councillors have reviewed and individually agreed each proposal. As ever, the Finance Team has provided the central support to services and the whole process has been overseen by the Finance Manager (S151 officer).

- 8.2.3 In addition to the Executive Councillor review, the Council:

- continues to embed the Transformation programme (MOSAIC) into the core business of the Council. This includes the development of work-stream reviews, supported by an ongoing continuous improvement process that follows Lean principles, service Huddles, commercialisation through new ways of working, the development of a wholly owned company that will permit the Council to operate in a more private sector 'for profit' environment, and further expansion of the Commercial Investment Strategy,
- developed funding proposals that help to mitigate the current uncertainty relating to Fair Funding and the other 'known' impacts of the current Strategic Spending Review, and
- the Executive has chosen to increase Council Tax by 2.6% (£3.70 for a Band D equivalent property).

### 8.3 Challenges Facing the Council

- 8.3.1 The challenges that the Council faces are similar to those being faced by many councils across the local government community. The principal challenges that the Council is tackling are illustrated below:

## Public Sector Austerity – Cuts in grant funding

- 8.3.2 For the past few years, the public sector has, as a whole, been facing the most significant austerity programme in a generation and as a consequence of the government's ring-fencing of some government departments/services (i.e. NHS, Education etc.); this has meant that local government has met a significant share of the austerity programme. More recently, independent insights into future government funding propositions are clearly showing a direction of travel that indicates an even more challenging financial environment and a clearer understanding of how the Fair Funding Review may affect District Councils. However, as discussed in previous financial performance reports, the Council continues to take proactive action to effectively manage the financial consequences of austerity.
- 8.3.3 Following the 2020/21 provisional settlement announced in December 2019, **Table 23** clearly shows that the grant funding streams for the Councils MTFS for 2020/21 and for the period up to 2024/25 has moved when compared to the preceding year. For:
- 2020/21 the total grant included in last year's MTFS was £8.3m; following the provisional settlement this has now increased to £10.4m; a increase of £2.05m (24.6%). This is mainly due to a one-off increase in NHB of £738k; change in Fair Funding Review/RSG assumptions of £718k and an increase in NDR of £597k.
  - 2021/22 the total grant in last year's MTFS was £7.9m, this has now increased to £9.1m; this reflects an increase of £1.2m. Which mainly due to changing assumptions for Fair Funding Review and NDR retention.
  - 2022/23 onwards the Councils net grants position continues to decline until 2024/25 when it will be £1.1m more than 2022/23.

Between 2020/21 and 2024/25, the net reduction in grant is £2.1m (20%).

Table 23	Comparison of Grant Assumptions: 2019/20 Budget & 2020/21 Budget and MTFS (2020/21 to 2023/24)					
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>2019/20 Budget &amp; MTFS</b>						
NDR+S31	6,907	6,077	6,199	6,323	6,449	
S31	1,729	1,579	1,579	1,579	1,579	
RSG	0	(150)	(150)	(150)	(150)	
FFR Adjust	0	(650)	(650)	(650)	(650)	
NHB	2,038	1,474	881	427	0	
<b>Total</b>	<b>10,674</b>	<b>8,330</b>	<b>7,859</b>	<b>7,529</b>	<b>7,228</b>	
<b>2020/21 Budget &amp; MTFS</b>						
NDR+S31		6,674	6,811	6,949	7,090	7,106
S31		1,579	1,579	1,579	1,579	1,579
RSG		0	0	0	0	0
FFR Adjust		(82)	(163)	(245)	(326)	(408)
NHB		2,212	881	427	0	0
<b>Total</b>		<b>10,383</b>	<b>9,108</b>	<b>8,710</b>	<b>8,343</b>	<b>8,277</b>
<b>Variance between Grant Assumptions</b>						
NDR	949	597	612	626	641	
S31	0	0	0	0	0	
RSG	0	150	150	150	150	
FFR Adjust	0	568	487	405	324	
NHB	0	738	0	0	0	
<b>Total</b>	<b>949</b>	<b>2,053</b>	<b>1,249</b>	<b>1,181</b>	<b>1,115</b>	
	%	%	%	%	%	
NDR	13.7	9.8	9.9	9.9	9.9	
S31	0.0	0.0	0.0	0.0	0.0	
RSG	0.0	0.0	-100.0	-100.0	-100.0	
FFR Adjust	0.0	0.0	-100.0	-100.0	-100.0	
NHB	0.0	50.1	0.0	0.0	0.0	
<b>Total</b>	<b>8.9</b>	<b>24.6</b>	<b>15.9</b>	<b>15.7</b>	<b>15.4</b>	

## Programme of Service Review

8.3.4 It is probably fair to say that all councils are undertaking some form of service review and seeking to ensure that services are provided with affordability and value for money at their core. As mentioned earlier, the Executive have reviewed their budgets, with significant emphasis within the Leisure and Health and Operations services.

## 8.4 Governance

8.4.1 Noted within the 2018/19 Annual Governance Statement (AGS) both the Executive Leader and the Managing Director consider that:

*“Traditionally this Statement has contained issues for which the Council is wholly responsible. During 2017/18 it became clear that there were a number of overarching issues that were regularly informing and influencing the budget, performance and service delivery discussions at both Member and Officer level*

*(e.g. homelessness/working with partners to keep people in their own home/service transformation). Consequently an inward looking Statement did not feel appropriate as it did not address the risks that are of greatest potential impact to the authority and the achievement of its objectives.*

*Five themes were identified last year to reflect a more strategic outlook. The same themes remain in this year’s Statement as they continue to have the ability to severely impair the Council’s financial position and consequentially, its ability to function (or indeed identifying new opportunities to be realised). However, they*

have been joined by a sixth issue, that of the environment and our collective responsibility to ensure that our actions and behaviours do not cause irreversible harm.”

The six themes that were included in the Annual Governance Statement are:

1	Housing Affordability	<i>Leading to homelessness and constraining growth.</i>
2	Morbidity/Growing number of years of ill health	<i>Impacting on people’s ability to be self-reliant and generating additional cost through support needs.</i>
3	Wider economic environment	<i>Impact of Commercial Investment Strategy/Business rates receipts and level of need from residents.</i>
4	Skills level and educational attainment	<i>As a means by which residents are able to attract profitable work and in attracting employers to the area.</i>
5	Partner agency operational pressures	<i>Financial challenges of partners impacting on demand for our services or reducing existing support.</i>
6	Environment	<i>Challenges to the long-term sustainability and attraction to our area.</i>

8.4.2 In June 2019, the Council’s Internal Audit and Risk Manager reported to the Corporate Governance Committee that the assurance given for the year to 31 March 2019 was:

“.....the Council’s internal control environment and systems of internal control as at 31 March 2019 provide adequate assurance over key business processes and financial systems”.

## 8.5 Risks

8.5.1 Because of the nature of the macro and micro environment that the wider local government family and the Council operates within, there are a whole host of risks that the Council faces on a day-to-day basis. In such an environment, budget setting is not a science but more a guide on how financial resources will be allocated to services over the forthcoming year and to give an indication into the medium term. There will always be items that emerge after the budget has been approved and these can range from a programme under or over achieving or an unexpected event occurring.

### Mitigation of Unforeseen Events

8.5.2 The Council has always taken a very prudent position in ensuring that it maintains its General Fund (Unallocated) Reserve at percentage of Net Expenditure. In December 2015 the minimum threshold for the General Fund (Unallocated) Reserve was 15%.

However, to help mitigate a situation whereby an event could occur that would potentially have a negative financial impact on the Council, the Council has for a long time had a clear process in place. Where a situation has occurred that is ‘service’ specific, the

- first call for funding will be from compensating savings from elsewhere within the service, and if none are possible then savings from the wider Councils budget (service first, wider Council thereafter),

- second call for funding will be general service reductions. Such an approach will inevitably have an impact on service delivery,
- and finally, the use of General Fund reserves would be considered.

Where a situation arises that is 'corporate' in nature, then consideration will be given to the aforementioned first and second calls, but there is likely to be earlier considerations of using General Fund reserves.

8.5.3 During 2016/17 the Council introduced the Budget Surplus Earmarked Reserve; the aim of this reserve is to "mop-up" service underspends that would cause the General Fund to be higher than the minimum threshold. This has been developed further to provide a means by which surpluses could be distinguished between those due to unspent NHB or in-services savings. With regard to:

- Unspent NHB, such underspends are passported through to the Commercial Investment Earmarked Reserve. Therefore enabling the Council to ring-fence funds that are available for Commercial Investment and/or service development.
- In-service savings, such underspends can be ring-fenced to provide a 'smoothing' fund to meet future years estimated deficits.

8.5.4 The technical definition of General Fund Reserves includes the General Fund (Unallocated) Reserve as well as all 'revenue' Earmarked Reserves. In the context of making General Fund Reserve balances available to meet unforeseen events, the Council has self-limited this to the General Fund (Unallocated) Reserve itself as well as the Budget Surplus Earmarked Reserve. The Commercial Investment Reserve is not included in the following risk modelling assessment as this is the means by which the Council is able to invest to provide medium term financial sustainability – to include the Commercial Investment Reserve could give an overly 'optimistic' view of financial resilience. Consequently, to mitigate such events and secure the delivery (and security) of day-to-day business, the schedule of call-off would be:

- General Fund (Unallocated) Reserve, and then the
- Budget Surplus Earmarked Reserve.

As an absolute last resort, only then would the Commercial Investment Earmarked Reserve be applied.

#### Risk Modelling

8.5.5 It is essential that relevant risks are identified and appropriate sensitivity analysis applied to determine the impact of such risks on the Councils financial standing – and consequently the delivery of the Councils day-to-day business. The most significant potential risks to the budget are:

- Under achievement of savings.
- higher inflation.
- further reductions in income (mainly from fees and charges).
- non-achievement of savings; including Shared Services.
- failure of a borrower.
- an emergency.
- estate property enhancement/development.
- increased demand on services (e.g. benefits and homelessness).



- level of retained business rates.

#### 8.5.6 Taking each of the above in turn:

- **Underachievement of Savings & Additional Income**

The savings included within the budget total £1.2m. These savings cover a broad range of services; however as ever with savings they are dependent on market, management and political conditions prevailing at the time. It is therefore prudent to assume that some of these savings may not be achieved; a fair assumption is a 30% underachievement which equates to £360k.

- **Inflation**

With regard to:

- **Pay**  
The budget for 2020/21 includes an “across the board” pay increase of 2%. Taking into account employer on costs (national insurance and pension), this equates to a total cost of £24m; a further 1% for sensitivity equates to £239k.
- **On-Boarding of Variable Hours Staff**  
A risk remains whereby variable hours Council staff should be fully contracted staff. Some staff may elect to remain on zero-hours contracts whereas others may wish to be formally contracted. This risk is not built into the budget as the amount to be included is not known; however, for sensitivity purposes the total estimated cost of all staff reverting to a contracted hour’s contract is modelled, this would be £300k.
- **Business Rates (those payable by HDC)**  
The budget for 2020/21 includes a Business Rates budget of £1.19m. Considering the changing occupancy of the Council’s property due to external partners leasing its premises, there is the possibility that there could be rating implications for different parts of the Councils buildings. However, a marginal 5% change has been anticipated which has a sensitivity impact of £60k.
- **General Inflation**  
No general inflation has been included in the 2020/21 budget except where there are contractual price increases; although for the Council this is minimal as most services are “contracted in”.
- **Borrowing**  
The budget for 2020/21 assuming a borrowing cost of £55k (for non-CIS borrowing) based on a rate of between 3.0% and 3.25%. If this rate increased by 0.25% the cost of borrow would increase proportionally, for sensitivity purposes a 75% impact is modelled which equates to £41k.

- **Reduced income: Fees and Charges**

Total fees and charges are £17.7m, therefore, for sensitivity analysis a 2% loss of income from fees and charges would amount to £354k. The largest income streams that are susceptible to variation include:

- Car Parks, £2.4m (Off-Street).
- Leisure Centres, £6.4m
- Commercial Estate, £5.8m
- Planning Fees, £1.7m

- **Reduced income: Commercial Investment Income (CIS)**

Total forecast CIS income is £5.8m; for sensitivity analysis purposes if there was a 5% loss of income from rental income due reduction occupancy of already acquired properties of £5.0m this would equate to £0.249m and if there was a 25% loss of income from rental income to be acquired of £0.8m this would equate to £0.201m

- **Reduced income: New Homes Bonus**

For 2020/21 the Council's NHB is £2.2m; it is expected that in due course the government will announce some significant changes to the scheme. The Council has modelled that by 2024/25 the Council will no longer receive such funding. However, for sensitivity purposes the Council is including a 5% reduction in NHB, reflecting £111k.

- **Government Grant: Non Domestic Rates**

Since the localisation of Non Domestic Rates in April 2013 it has become increasingly clear that the levels that the authority will be able to retain are more and more difficult to forecast. Whilst there are some opportunities for estimating i.e. the development of new buildings, it is very difficult to judge when development will commence on allocated land even if planning permission has been granted.

Prior to 2017/18, it had been established that the government's assessment of growth for the District was somewhat optimistic when compared to actual growth. Similar to last year, for 2020/21 the Council has taken a more prudent line by formulating its own assessment for NDR receipts (£6.1m excluding any Enterprise Zone growth) and only increased thereafter by 2% per annum. Directly linked to NDR are S.31 grants, this is government grant that compensates local government for it being required to exceed the minimum statutory regulations for certain thresholds as a consequence of government priorities (i.e. increasing the 'small business relief' limit above that required by law). The assessed S.31 receipts for 2020/21 are £1.6m.

Although it is fair to say that any NDR reduction would be limited by the existence of the safety net (i.e. it provides a statutory limitation to losses), it is fair to apply sensitivity to the gap between the safety net and the estimated NDR receipt. Losses can be accrued in a number of ways; reduce NDR as a consequence of business failure, demolition or catastrophic event, but are more usually impacted due to rating appeals (some of which can take many years to conclude). In respect of:

- NDR, the gap between the estimated income (£6.1m) and the safety net (£4.2m) is £1.8m; 5% sensitivity reduction will be applied giving £60k.
- S.31, a 5% sensitivity reduction will be applied giving £79k.

The above is a more granular approach to sensitivity than in previous years; this is considered prudent as the Council moves closer to a position of full financial sustainability.

- **Failure of a Borrower**

The current counterparty limit is lending of £5.0m to a single institution.

The main “borrowing” risk rests whether the lending is either on a short or long term basis. The £5.0m limit is restricted to bodies with a credit rating of F1+ or Building Societies with more than £2 billion in assets. The impact of a “failure of borrower” will be the loss of revenue cash flow and the potential costs involved of “making good” the lost investment. There are however, good governance arrangements around the Council’s Treasury activity and therefore the likelihood of loss is minimal. However, with Brexit drawing closer and the financial impacts still being relatively unknown, it would be prudent to include some sensitivity in respect of cash flow. Therefore, the average amount lent to an institution at any given time is around £4.0m; if this amount was lost and the Council had to borrow from the PWLB, at current rates this would amount to a cost of £120k. This block amount is included in the sensitivity analysis.

- **Emergency**

As is normal for a business, different types of risk are mitigated in many different ways. Some risks are insured against, so losses are limited to the excesses payable and also, the Government’s Bellwin Scheme meets a large proportion, over a threshold, of the costs of any significant peacetime emergencies (e.g. severe flooding). Further, the Council does maintain its General Fund Reserves at a fair ‘minimum’ level and their use in respect of Mitigation of Unforeseen Events is discussed in detail at paragraphs 8.5.2 and 8.5.3.

With specific regard to flooding, the Council does reside within a flood risk area and there have been occasions where the Council has been required to meet the cost of local flooding incidents; however, such costs have been met from within current resources. With the reduction in budgets it is anticipated that such ad-hoc spend will not be able to be as easily accommodated so it would be prudent to include an element within any sensitivity to meet this cost. The Code of Financial Management permits the Managing Director or the Responsible Financial Officer to incur “emergency spend” of up to £500k, with retrospective reporting to Cabinet. A 50% allocation (£250k) of the £500k is included within the sensitivity analysis.

- **Estate property enhancement/development**

With the Council increasing its CIS Estate and the ‘aging’ of its current Operational Estate, it is fair to include a risk in respect of future property enhancement. For sensitivity modelling purposes, the currently estimated cost of enhancement is £182k for sensitivity purposes if 80% of this was required this would give a cost of £146k.

- **Increased demands on services**

Many of the services provided by the Council are susceptible to an increase in demand. However, over the past few years the most susceptible that have had a significant

revenue impact is homelessness.

With regard to homelessness, the budget for 2020/21 is £0.957m; if there was a 10% increase in demand for each this would require an additional £96k. In addition, ICT has a budget totalling £2.1m, if there was say 7% increase in demand for this service this would amount to £150k of additional costs.

- **Council Tax**

The Council has chosen to increase Council Tax for a third year; this is a prudent step as it helps to maintain the financial foundation of the Council and awards it opportunities for future investment. The Council has chosen to increase by 2.6% (£3.70) which it views as an amount that is affordable to its residents (and discussed in detail in the Draft Budget Report that went to Cabinet in January). An increase of 2.6% represents around £232k, as this is a marginal increase no further sensitivity has been undertaken. It should be noted that the Council could have chosen to have increased by the higher of either 2% or £5.

### **Sensitivity for 2020/21 Budget**

8.5.7 Considering the risks noted above and the stated budget assumptions, the accumulated total cash risk is £2.8m. However, it is highly unlikely that all these risks will occur at the same time, so it is fair to apply “sensitivity” to each risk and then model the likelihood of occurrence. **Table 24** shows this detailed analysis and in summary the additional pressure within 2019/20, based on the likelihood of occurrence, is as follows:

- Pessimistic view, additional pressure of: £1.3m
- Middle-View, additional pressure of: £0.9m
- Optimistic View, additional pressure of: £0.6m

### **Table 24**

Table 24		Sensitivity of Risks to 2020/21 Budget & Funding Options									
Risk		Costs Included in 2020/21 budget	Sensitivity Impact			Likelihood of Occurrence					
			+/-	Cost	Pessimistic		Middle-Way		Optimistic		
		£000		£000	Factor	£000	Factor	£000	Factor	£000	
Underachievement of Savings & Additional Income		1,432	Savings not achieved	25%	358	0.7	251	0.2	72	0.1	36
Inflation	Pay	23,905	Pay increase from 1% to 2%	1%	239	0.6	143	0.3	72	0.1	24
	On-Boarding of Variable Staff	300	Estimated cost of zero-hours staff moving to contracted hours	100%	300	0.6	180	0.2	60	0.2	60
	Business rates (HDC payable)	1,197	Business Rates vary due to change in liability etc	5%	60	0.2	12	0.3	18	0.5	30
	Investment/Borrowing Costs	55	Difference between Borrowing at 3.0% to 3.25%	75%	41	0.2	8	0.5	21	0.3	12
Reduced Income	Fees & Charges	(17,683)	Reduction in income.	2%	354	0.3	106	0.4	142	0.3	106
	CIS Income	(4,983)	Reduction in income.	5%	249	0.3	75	0.4	100	0.3	75
		(802)	Reduction in income.	25%	201	0.3	60	0.4	80	0.3	60
	New Homes Bonus	(2,212)	Reduction in NHB following change to "needs" system and consequential redistribution.	5%	111	0.3	33	0.4	44	0.3	33
Government Grant	NDR - Difference between Safety Net and Budgeted Receipts	(1,837)	Reduced NDR receipts.	10%	184	0.6	110	0.3	55	0.1	18
	S.31 Grant	(1,579)	Not all grant received.	5%	79	0.6	47	0.3	24	0.1	8
	Collection Fund Surplus	907	Collection Fund Deficit not as significant as forecast.	15%	(136)	0.6	(82)	0.3	(41)	0.1	(14)
Failure of Borrower		120	Cost of borrowing from PWLB if Council lost £4m (average amount lent to a borrower)	100%	120	0.2	24	0.5	60	0.3	36
Emergency		500	Immediate use of funds in the event of a local emergency	50%	250	0.2	50	0.5	125	0.3	75
Maintenance	Property Maintenance and Enhancement	182	Estate property enhancement/development	80%	146	0.8	117	0.1	15	0.1	15
Increased Demand of Services	Homelessness	957	Increase in demand	10%	96	0.4	38	0.5	48	0.1	10
	ICT	2,139	Additional service requirement	7%	150	0.8	120	0.1	15	0.1	15
<b>Total Sensitivity</b>					<b>2,802</b>		<b>1,292</b>		<b>910</b>		<b>599</b>
<b>OVERALL TEST FOR BUDGETARY RISK</b>											
Estimated General Fund (Unallocated) Reserve at 31 March 2021							2,653		2,653		2,653
Budget Surplus Reserve at 31 March 2021							1,589		1,589		1,589
<b>Total Estimated Reserves at 31 March 2021 (*)</b>							<b>4,242</b>		<b>4,242</b>		<b>4,242</b>
<b>Conclusion of Sensitivity i.e. Estimated Reserves less Sensitivity</b>											
- Upon comparing 'Total Sensitivity' to Total Estimated Reserves, do Reserves remain positive? (*)							<b>Yes</b>		<b>Yes</b>		<b>Yes</b>
- Upon comparing 'Total Sensitivity' to the Minimum Level of General Fund (Unallocated) Reserves (15% of Net Expenditure), does Reserve Remain Positive							<b>Yes</b>		<b>Yes</b>		<b>Yes</b>
- If 'Total Sensitivity' Risk occurred, what would be the reduction in General Fund (Unallocated) Reserves							<b>48.7%</b>		<b>34.3%</b>		<b>22.6%</b>
* Note: HDC has set a minimum level of General Fund (unallocated) Reserves of 15%. However, in a 'crisis' situation the Council has immediately available, as well as the General Fund, the Budget Surplus Reserve. Therefore, for this 'Sensitivity Exercise' both Reserves will be considered.											

8.5.8 This analysis shows that if the most 'pessimistic' position occurred, the Councils General Fund (Unallocated) Reserves alone would be insufficient to meet this additional cost. However, if it also included the Budget Surplus Reserve it would have sufficient resources to meet this cost.

## 8.6 Revenue Reserves

### Reserves for 2020/21 and the MTFS Period (2021/22 to 2024/25)

8.6.1 There is no statutory minimum level of reserves; however, as noted at 8.5.2 Cabinet has approved a new minimum threshold for its General Fund (Unallocated) Reserves of 15% of the Net Revenue Budget of the Council. The primary aim of the General Fund is to provide a safety net for unforeseen expenditure.

8.6.2 In addition to the General Fund, and as shown in 8.5.2 to 8.5.3 the operates a number of reserves; including the Budget Surplus Reserve, the Commercial Investment Reserve and a number of specific Earmarked Reserves. The purpose of the latter is to meet known potential liabilities arising from Statutory Commitments, Know Risks, Future or Political Commitments and costs associated with Transformation and Commercialisation.

8.6.3 However, to ensure the adequacy of the Councils Reserves (i.e. their robustness) it is essential to determine if the Councils revenue reserves are sufficient to meet the assessed risks (8.5.7). To determine this, a two stage comparison will be undertaken in that the “likelihood of occurrence” of a risk will be compared to two sets of reserves. The detailed analysis is shown in **Table 25** and relevant commentary is shown below.

#### **Stage 1 – The Primary Test of Financial Resilience**

The “likelihood of occurrence” of the assessed risks will be compared against the General Fund (Unallocated) Reserve and the Budget Surplus Reserve – in this way the CIS Reserve can be used over the life of the MTFS to invest in commercial property that will generate a long term revenue stream.

As shown in **Table 25**, both reserves can meet the assessed risks until 2021/22; thereafter the minimum level of reserves threshold is breached.

#### **Stage 2 – The Secondary Test of Financial Resilience**

The Stage 2 assessment is a ‘complete’ test, in that it also brings into the assessment the Commercial Investment Reserve. This clearly shows that the Council would have sufficient resources to meet the modelled risks, but this does mean that the Council may not be able to invest all the Commercial Investment Reserve as planned. However, as the planned Commercial Investments Strategy is expected to be completed in 2020/21, this reserve can be repurposed in the future to negate any future Revenue pressures, although it is likely to be utilised in any future redevelopment projects.

**Table 25**

Table 25																
Impact of 2020/21 Sensitivity of Risks on the MTFS General Fund Reserves Profile																
General Fund Reserve and Budget Surplus Reserve	2020/21 £000			2021/22 £000			2022/23 £000			2023/24 £000			2024/25 £000			
General Fund Reserve c/f	2,653			2,733			2,774			2,899			2,945			
Budget Surplus Reserve c/f	1,589			1,032			723			(3)			0			
	<b>4,242</b>			<b>3,765</b>			<b>3,497</b>			<b>2,896</b>			<b>2,945</b>			
Minimum Level of Reserves (*)	2,653			2,733			2,774			2,899			2,945			
	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	
Reduction in Reserves (in year)	1,292	910	599	1,292	910	599	1,292	910	599	1,292	910	599	1,292	910	599	
Estimated Reserves c/f	<b>2,950</b>	<b>3,332</b>	<b>3,643</b>	<b>2,473</b>	<b>2,855</b>	<b>3,166</b>	<b>2,205</b>	<b>2,587</b>	<b>2,898</b>	<b>1,604</b>	<b>1,986</b>	<b>2,297</b>	<b>1,653</b>	<b>2,035</b>	<b>2,346</b>	
- Do Reserves remain above Minimum Level of Reserves	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	No	No	No	No	No	No	
General Fund Reserve, Budget Surplus Reserve and Commercial Investment Reserve	2019/20 £'000			2020/21 £'000			2021/22 £'000			2022/23 £'000			2023/24 £'000			
General Fund Reserve c/f	2,653			2,733			2,774			2,899			2,945			
Budget Surplus Reserve c/f	1,589			1,032			723			(3)			0			
Commercial Investment Reserve c/f	5,710			6,591			7,018			7,018			6,458			
	<b>9,952</b>			<b>10,356</b>			<b>10,515</b>			<b>9,914</b>			<b>9,403</b>			
Minimum Level of Reserves (*)	2,653			2,733			2,774			2,899			2,945			
	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	
Reduction in Reserves (in year)	1,292	910	599	1,292	910	599	1,292	910	599	1,292	910	599	1,292	910	599	
Estimated Reserves c/f	<b>8,660</b>	<b>9,042</b>	<b>9,353</b>	<b>9,064</b>	<b>9,446</b>	<b>9,757</b>	<b>9,223</b>	<b>9,605</b>	<b>9,916</b>	<b>8,622</b>	<b>9,004</b>	<b>9,315</b>	<b>8,111</b>	<b>8,493</b>	<b>8,804</b>	
- Do Reserves remain above Minimum Level of Reserves	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

\* = The minimum level of reserves is 15% of Net "budgeted" Expenditure

8.6.4 Consequently, it is fair to say that:

- i. if the situation arose, with the use of the General Fund (Unallocated) Reserve, the Budget Surplus and Commercial Investment reserves the Council should be able to absorb considerable additional financial risk. It should be noted however, as mentioned earlier, it is unlikely that all these risks would occur all at the same time.
- ii. the Council is self-sufficient over the medium-term. The Council has actual surplus budget for 2018/19 and 2019/20 and is making the prudent decision to “bank” early year budget surpluses into the Budget Surplus Reserve to enable it to meet subsequent year funding gaps; whilst being able to maintain its general reserve at 15% of net expenditure over the MTFS period.

8.6.5 However, to remove reliance on the use of reserves the Council will be required to find further savings or generate additional income equivalent to 6% of its net expenditure – as summarised in **Table 26** below and shown on the “Plan on a Page” at **Appendix 3**.

**Table 26**

Table 26	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Plan on a Page - Approved MTFS 2020/21 - 2023/24</b>				
<b>Approved MTFS Net Expenditure</b>	18,220	18,492	19,329	19,636
Plan on a Page - new savings required from MTFS	(419)	(210)	(543)	(453)
Plan on a Page - % savings required from MTFS	-2%	-1%	-3%	-2%
<b>Budget Requirement (adjusted for savings required)</b>	17,801	18,282	18,786	19,183

8.6.6 The Council should be rightly proud of the progress it has made over the past few years, especially as it has been able to improve the gap at the end of the new MTFS to that of last year even with the significant grant reductions. And with the “MOSAIC” Transformation programme underway and the continued commercialisation of its services, this gap should close in the near future.

## 8.7 Conclusion

- **2020/21 Budget**

Considering all the factors noted within the “Robustness” statement in respect of 2020/21, I consider that the combination of the:

- Councils commitment to continue to find service efficiencies,
- the direction of travel in relation to governance,
- it’s clear intention to invest in services, and
- it’s prudent position relating to income recognition (including raising Council Tax),

the budget proposed for 2020/21 should not give Members any significant concerns over the Council’s financial position.



- **Medium Term Financial Strategy (2021/22 to 2024/25)**

With regard to the period covered by the MTF5; the Council does face some future funding risk with the:

- expected reduction in NHB,
- the implications of Fair Funding and
- the ongoing issues pertaining to the localisation of Business Rates.

However, over the past few years the Council has taken proactive action to address its budgetary concerns and with the planned continuation of its Transformation programme and its intention to further commercialise services the Council has a sound financial base upon which it can further develop its aim of financial self-sufficiency.

**Claire Edwards FCCA**

Responsible Financial Officer (Section 151)

This page is intentionally left blank

Changes to 2020/21 Draft Budget to Final Budget & MTFS

Appendix 2

Services Changes to the Draft Budget 2020/21	Budget 2020/21			MTFS				Comments
	Gross		Net	2021/22	2022/23	2023/24	2024/25	
	Expenditure £000	Income £000	£000	£000	£000	£000	£000	
<b>Service &amp; Other Recommended Changes</b>								
1 Corporate Resources - Salary Adjustment	20		20	20	21	21	23	Salary costs shown for 18.5 hrs budget should reflect 37 hrs
2 Operations - Car Parks	8		8	8	8	8	8	Contractual salary obligations not included in draft budget
	<b>28</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>29</b>	<b>31</b>	
<b>Total Changes</b>	<b>28</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>29</b>	<b>31</b>	
<b>Draft Budget Net Expenditure</b>			<b>17,660</b>					
Net Expenditure Changes since Draft Budget			28					
<b>Final Budget Net Expenditure</b>			<b>17,688</b>					

This page is intentionally left blank

## Plan on a Page

<b>Corporate Plan</b>	<b>VISION</b>	We want to improve the quality of life, deliver economic growth and provide value for money services for the people of Huntingdonshire		
	<b>STRATEGIC PRIORITIES</b>	Enabling Communities	Delivering Sustainable Growth	Becoming a More Efficient and Effective Council

<b>Strategic Resource Plan</b>	<b>BEFORE</b>	<b>INCOME GENERATION</b>			<b>EFFICIENCIES &amp; GROWTH</b>			<b>AFTER</b>
	2019/20 Budget & MTFS	Old MTFS=====>Change in Level of Activities=====>New MTFS						2020/21 Budget & MTFS
	Savings required 2023/24 <b>£1.2m</b>	Council Tax	Commercialisation	Funding Changes	Budget Review	Service Growth	Transformation Savings	Savings required 2024/25 <b>£0.5m</b>
		(£0.7m)	£Nil*	(£1.1m)	£0.6m	£0.5m	0	

<b>Financial Strategy</b>		<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	Net Expenditure	£17.7m	£18.2m	£18.5m	£19.3m	£19.6m
	Budget surplus / (deficit)	(£1.25m)	(£0.4m)	(£0.2m)	(£0.5m)	(£0.5m)
	Earmarked Reserves Adjustment	£2.2m	£0.9m	£0.4m	£0.4m	0
	Budget requirement	£18.6m	£18.7m	£18.7m	£18.2m	£19.1m

\* This represents no change in the level of Commercialisation being utilised to generate income. This does not indicate that there is no Commercialisation being undertaken.

This page is intentionally left blank

**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** 2020/21 Treasury Management, Capital and Investment Strategies

**Meeting/Date:** Overview and Scrutiny Panel (Performance and Growth) – 5th February 2020

**Executive Portfolio:** Executive Councillor for Strategic Resources – Councillor J A Gray

**Report by:** Finance Manager

**Wards affected:** All Wards

---

### RECOMMENDATION

The Overview and Scrutiny Panel is invited to comment on the attached:

- Treasury Management Strategy
- Capital Strategy
- Investment Strategy
- Minimum Revenue Provision Statement
- Flexible use of Capital Receipts Strategy





**Public  
Key Decision – Yes**

**HUNTINGDONSHIRE DISTRICT COUNCIL**

<b>Title:</b>	2020/21 Treasury Management, Capital and Investment Strategies
<b>Meeting/Date:</b>	Cabinet – Date 13th February 2020
<b>Executive Portfolio:</b>	Executive Councillor for Strategic Resources: Councillor J A Gray
<b>Report by:</b>	Finance Manager
<b>Wards affected:</b>	All Wards

---

**Executive Summary:**

The Council is now required by law to approve, on an annual basis;

- Treasury Management Strategy;
- Capital Strategy
- Investment Strategy
- Minimum Revenue Provision Statement
- The Flexible use of Capital Receipts Strategy

This requirement is within CIPFA's Treasury Management in the Public Services: Code of Practice (2017), CIPFA's Prudential Code (2017), and MHCLG Guidance on Local Government Investments 2018. The revision of these codes and guidance has required the Council to produce and approve two new strategies the Capital Strategy and the Investment Strategy. The intention is that these strategies will be iterative documents and will be developed so that they contain an increasing amount of detail of the Council's plans and procedures in addition to the financial information.

The aim of the Treasury Management Strategy is to

- Manage the Council's investments, cash flows, banking, money market and capital market transactions, loans and borrowings within the requirements of an effective control environment but coupling this with the pursuit of optimum performance and yield and at the same time managing the portfolio's risk profile.

The 2020/21 Treasury Management Strategy includes:

- The operation of the strategy within an economic climate that is weak, where inflation is maintaining an above target level, and interest rates that have moved upward slightly but are forecast to remain low although possibly rising slowly into the medium term.
- The continuation of the Council's policy to use mainly short-term investments

which are highly liquid and as a consequence are lower risk. This includes the use of call accounts and money market funds.

**The Capital Strategy includes;**

- A high level overview of the Council's capital programme and borrowing.
- The borrowing strategy and the borrowing limits

**The Investment Strategy includes;**

- The strategy relating to the CIS
- The management of service loans
- An overview of financial guarantees

**The Minimum Revenue Provision Statement;**

- The various policies to deal with the financing of capital projects
- A policy dealing with voluntary MRP for CIS purchases

**The Flexible Use of Capital Receipts Strategy;**

- Outlining how Capital Receipts will be used
- Whether any receipts will be used on transformation schemes (which fit the strict criteria set out in the strategy)

**Recommendations:**

That the Cabinet is recommended to Council the approval of the;

1. The Treasury Management Strategy, Appendix 1.
2. The Capital Strategy, Appendix 2.
3. The Investment Strategy, Appendix 3.
4. The Minimum Revenue Provision Statement, Appendix 4.
5. The Flexible Use of Capital Receipts Strategy Appendix 5.

## 1. WHAT IS THIS REPORT ABOUT?

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

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

1.2 The Treasury Management Strategy is a key element of the Council's Code of Financial Management.

1.3 The Capital Strategy gives an overview of capital expenditure and financing. The strategy includes;

- The borrowing strategy
- The investment strategy
- Governance

1.4 The Investment Strategy, which includes;

- Service loans
- Property investments
- Financial guarantees

1.5 The Flexible Use of Capital Receipts Strategy, outlines how the Council intends to make use of Capital Receipts.

1.6 In addition to complying with CIPFA's Treasury Management in the Public Services: Code of Practice 2017 Edition, the Council must also comply with the MHCLG's Guidance on Local Authority Investments (2017), both of which require the approval of an annual Treasury, Investment and Capital strategies before the start of each financial year. This strategy fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance.

## 2. WHY IS THIS REPORT NECESSARY/BACKGROUND

2.1 To seek Council approval for the:

- i. Treasury Management Strategy, as attached at **Appendix 1** including the required indicators. The aim of the:
  - investment strategy is to provide a framework through which the Council will invest any surplus funds that balances the risk of default by the borrower against a fair rate of interest.
  - borrowing strategy is to permit borrowing for cash flow purposes and for the funding of current and future capital expenditure over whatever periods are in the Council's best interests.

- ii. The Capital Strategy, which gives an overview of the capital programme and financing. **Appendix 2**
- iii. The Investment Strategy, giving an overview of the CIS approved in 2015 and service based loans. **Appendix 3**
- iv. The Minimum Revenue Provision policy. **Appendix 4**
- v. The Flexible Use of Capital Receipts Strategy, detailing any use of capital receipts for revenue. **Appendix 5**

2.2 For 2020/21, the Council is anticipating having a total capital financing requirement (which is both past and new capital expenditure) of £73.9m (rising to £105.4m by 2022/23), of which £31.5m will be new capital expenditure relating to the CIS. The Council has an authorised limit for 2020/21 of £135m. It should be noted that the Minimum Revenue Provision applicable to this capital programme is fully funded and included in next year's budget and the MTFS.

2.3 The authority has and will borrow and invest substantial sums of money and is therefore exposed to financial risks including the loss of funds and the revenue effect of changes in interest rates. The identification, monitoring and control of such risks are central to the Council's Treasury Management and Investment Strategy.

2.4 In accordance with MHCLG guidance, the Council will be asked to approve a revised Treasury Management, Capital Investment Strategy, MRP Policy and a Flexible Use of Capital Receipts Strategy, should the assumptions on which it is based change significantly. Such circumstances could include an unexpected change in interest rates, a change in the capital programme or in the level of investment balance.

### **3. OPTIONS CONSIDERED/ANALYSIS**

3.1 The Treasury Management, Capital and Investment Strategies are a statutory requirement, thus it has to be considered in its entirety. However, the Strategy must not be viewed as a straightjacket; it is a framework within which the Council will conduct its Treasury, Investment and Capital activity.

### **4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?**

4.1 The emphasis of this report is to recognise the risks inherent in achieving a yield from investments (both treasury and commercial), and the management of that risk.

### **5. COMMENTS OF OVERVIEW & SCRUTINY PANEL**

5.1 The comments of Overview & Scrutiny Panel (Performance and Growth) will be included in this section prior to its consideration by Cabinet.

## **6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 6.1 When approved this strategy will be used as an operational document for Treasury Management, Commercial and Service Investments, as well as management of capital expenditure and financing.

## **7. LINK TO CORPORATE PLAN**

- 7.1 Treasury Management comes under the “Becoming a more efficient and effective council”.

## **8. CONSULTATION**

- 8.1 No consultation was needed.

## **9. LEGAL IMPLICATIONS**

- 9.1 No direct, legal implications arise out of this report.

## **10. RESOURCE IMPLICATIONS**

- 10.1 The resource implications are included within the report.

## **11. OTHER IMPLICATIONS**

- 11.1 No other implications.

## **12. REASONS FOR RECOMMENDED DECISIONS**

- 12.1 The Council is required, by law, to approve on an annual basis a:
- The Treasury Management Strategy. The purpose of which is to provide the framework within which the Council can operate its Treasury related activity.
  - The Capital Strategy. The purpose of which is to give a high level overview of how capital expenditure is managed.
  - The Investment Strategy. The purpose of which is to provide the framework to support service investments and commercial investments.
  - Policy in respect of its Minimum Revenue Provision so it can prudently account for the revenue impacts of capital investment decisions.
  - The Flexible Use of Capital Receipts Strategy, which describes if and how the Council will use capital receipts on transformation projects.

## **13. LIST OF APPENDICES INCLUDED**


Appendix 1: The Treasury Management Strategy  
Appendix 2: The Capital Strategy  
Appendix 3: The Investment Strategy  
Appendix 4: The Minimum Revenue Provision Statement  
Appendix 5: The Flexible Use of Capital Receipts Strategy

## **BACKGROUND PAPERS**

Working papers held in Finance

## **CONTACT OFFICERS**

Claire Edwards, Finance Manager

 01480 388822

## Treasury Management Strategy 2020/21

### Contents

- 1.0 Introduction**
- 2.0 External Context**
  - 2.1 Economic Background
  - 2.2 Credit Outlook
  - 2.3 Interest Rate Forecast
- 3.0 Local Context**
- 4.0 Liability Benchmark**
- 5.0 Borrowing Strategy**
  - 5.1 Objectives
  - 5.2 Strategy
  - 5.3 Sources of Borrowing
  - 5.4 Other Sources of Debt Finance
  - 5.5 Municipal Bonds Agency
  - 5.6 LOBOs
  - 5.7 Short-Term and variable Rate Loans
  - 5.8 Debt Rescheduling
- 6.0 Investment Strategy**
  - 6.1 Objectives
  - 6.2 Negative Interest Rates
  - 6.3 Strategy
  - 6.4 Business Models
  - 6.5 Approved Counterparties
  - 6.6 Credit Rating
  - 6.7 Banks Unsecured
  - 6.8 Banks Secured

- 6.9 Government
- 6.10 Corporates
- 6.11 Registered Providers
- 6.12 Pooled Funds
- 6.13 Real Estate Investment Trusts
- 6.14 Operational Bank Accounts
- 6.15 Risk Assessment and Credit Rating
- 6.16 Other Information on the Security of Investments
- 6.17 Investment Limits
- 6.18 Liquidity Management

## **7.0 Treasury Management Indicators**

- 7.1 Security
- 7.2 Liquidity
- 7.3 Interest rate Exposures
- 7.4 Maturity Structure of Borrowing
- 7.5 Principal Sums Invested for Periods Longer than a Year

## **8.0 Related Matters**

- 8.1 Financial Derivatives
- 8.2 Markets in Financial Directive

## **9.0 Financial Implications**

## **10.0 Other Options Considered**



## **1.0 Introduction**

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. 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 financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

## **2.0 External Context (See also Appendix B)**

### **2.1 Economic Background**

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for September registered 1.7% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, rose to 1.7% from 1.5% in August. The most recent labour market data for the three months to August 2019 showed the unemployment rate ticked back up to 3.9% while the employment rate was 75.9%, just below recent record-breaking highs. The headline 3-month average annual growth rate for pay was 3.8% in August as wages continue to rise steadily.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Services and construction added positively to growth, by 0.6% and 0.4% respectively, while production was flat and agriculture recorded a fall of 0.2%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target of 'below, but close to 2%' and leading to the central bank holding its main interest rate at 0% while cutting the deposit facility rate to -0.5%. In addition to maintaining interest rates at ultra-low levels, the ECB announced it would recommence its quantitative easing programme from November.

In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back on of the ongoing trade war with China. At its last meeting the Fed cut rates to the range of 1.50-1.75% and financial markets expect further loosening of monetary policy in 2020. US GDP growth slowed to 1.9% annualised in Q3 from 2.0% in Q2.

## **2.2 Credit outlook**

Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

## **2.3 Interest rate forecast**

The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its

Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.8%, and that new long-term loans will be borrowed at an average rate of 3.0%.

### 3.0 Local Context

On the 31st December 2019, the Council held £40m of borrowing and £31.0m of investments. This is set out in further detail at Appendix C. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	<b>31.3.19 Actual £m</b>	<b>31.3.20 Estimate £m</b>	<b>31.3.21 Forecast £m</b>	<b>31.3.22 Forecast £m</b>	<b>31.3.23 Forecast £m</b>
General Fund CFR	42.9	47.9	50.1	59.1	71.9
CIS CFR	14.7	26.5	34.0	34.0	34.0
Less: Other debt liabilities *	0.5	0.5	0.5	0.5	0.5
<b>Loans CFR</b>	<b>57.1</b>	<b>73.9</b>	<b>83.6</b>	<b>92.6</b>	<b>105.4</b>
Less: External borrowing **	28.7	40.0	39.4	38.7	38.3
<b>Internal (over) borrowing</b>	<b>29.5</b>	<b>34.9</b>	<b>42.5</b>	<b>52.3</b>	<b>65.4</b>
Less: Usable reserves	43.1	43.1	43.9	44.4	44.5
Less: Working capital	4.1	4.0	3.8	3.6	3.4
<b>(Investments) or New borrowing</b>	<b>(17.7)</b>	<b>(12.2)</b>	<b>(5,2)</b>	<b>4.3</b>	<b>17.5</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

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

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, known as internal borrowing.

The Council has an increasing CFR due to the capital programme, but minimal investments and will therefore not be required to borrow up to 2020/21 but is estimated be required to borrow an estimated £21.8m over the years 2022/23 and 2023/24.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2020/21.

#### 4.0 Liability Benchmark

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £5.0m at each year-end to maintain enough liquidity but minimise credit risk.

Table 2: Liability benchmark

	<b>31.3.19 Actual £m</b>	<b>31.3.20 Estimate £m</b>	<b>31.3.21 Forecast £m</b>	<b>31.3.22 Forecast £m</b>	<b>31.3.23 Forecast £m</b>
CFR *	57.1	73.9	83.6	92.6	105.4
Less: Usable reserves	43.1	43.1	43.9	44.4	44.5
Less: Working capital	4.1	4.0	3.8	3.6	3.4
Plus: Minimum investments	5.0	5.0	5.0	5.0	5.0
<b>Liability Benchmark</b>	<b>14.9</b>	<b>31.8</b>	<b>40.9</b>	<b>49.6</b>	<b>62.5</b>

\*this includes capital expenditure for which external funding options have yet to be identified and will therefore default to being funded from borrowing

#### 5.0 Borrowing Strategy

The Council currently holds £40m of loans, an increase of £19.3m on the previous year, as part of its strategy for funding previous years' capital programmes and Commercial Investment Strategy. The balance sheet forecast in table 1 shows that the Council does not expect to need to borrow in 2020/21. The Council may also borrow additional sums

to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £135.0m.

## **5.1 Objectives**

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

## **5.2 Strategy**

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

By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2020/21, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

## **5.3 Sources of Borrowing**

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds

- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

#### **5.4 Other sources of debt finance**

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local Council loans and bank loans, that may be available at more favourable rates.

#### **5.5 Municipal Bonds Agency**

UK Municipal Bonds Agency (UK MBA) plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities at a rate below PWLB. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. When the Council makes the decision to borrow, the option will be taken to consider whether the PWLB or the Municipal Bonds Agency are the most effective and efficient lender. Prior to approval to borrow from the UK MBA, separate approval will be sought from Cabinet.

#### **5.6 LOBOs**

The Council does not hold any LOBOs (Lender's Option Borrower's Option) loans. This where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.

#### **5.7 Short-Term and Variable Rate Loans**

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

## **5.8 Debt rescheduling**

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

## **6.0 Investment Strategy**

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the year 2019/20 to December, the Council's investment balance has ranged between £2.5m in June and £31.0m in December, and similar levels are expected to be maintained in the forthcoming year.

### **6.1 Objectives**

The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest 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. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

### **6.2 Negative interest rates**

If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

### **6.3 Strategy**

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to continue to diversify its long-term investments into more secure and higher yielding asset classes, such as those offered through the Commercial Investment Strategy during 2020/21. The majority of the Council's surplus

cash is currently invested in short-term unsecured bank deposits, and money market funds.

#### 6.4 Business models

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

#### 6.5 Approved counterparties

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

Table 3: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
Public Authorities	n/a	n/a	£4m 50 Years	n/a	n/a
AAA F1+	£4m 2 years	£4m 20 years	£2m 50 years	£1m 20 years	£2m 20 years
AA+ F1+	£4m 2 years	£4m 10 years	£2m 25 years	£1m 10 years	£2m 10 years
AA F1+	£4m 2 years	£4m 5 years	£2m 15 years	£1m 5 years	£2m 10 years
AA- F1+	£4m 2 years	£4m 4 years	£2m 10 years	£1m 4 years	£2m 10 years
A+ F1	£4m 2 years	£4m 3 years	£2m 5 years	£1m 3 years	£2m 5 years
A F1	£4m 13 months	£4m 2 years	£2m 5 years	£1m 2 years	£2m 5 years
A- F2	£4m 6 months	£4m 13 months	£2m 5 years	£1m 13 months	£2m 5 years
None	£1m 6 months	n/a	£2m 25 years	£50,000 1 year	£2m 5 years
<b>Pooled funds and real estate investment trusts</b>		£5m per fund or trust			

This table must be read in conjunction with the notes below

#### 6.6 Credit rating



Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

### **6.7 Banks unsecured**

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

### **6.8 Banks secured**

Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

### **6.9 Government**

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

### **6.10 Corporates**

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £50,000 per company as part of a diversified pool in order to spread the risk widely.

### **6.11 Registered providers**

Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing. As providers of public services, they retain the likelihood of receiving government support if needed. This does not include service loans which are subject to separate authorisation by Cabinet.

### **6.12 Pooled funds**

Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

### **6.13 Real estate investment trusts**

Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

### **6.14 Operational Bank Accounts**

The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept low and only contain balances sufficient for operational purposes. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

### **6.15 Risk assessment and credit ratings**

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

#### **6.16 Other information on the security of investments**

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

#### **6.17 Investment Limits**

The Council's revenue reserves available to cover investment losses are forecast to be £43.1m on 31<sup>st</sup> March 2020. In order that no more than 15% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will

also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£4m per broker
Foreign countries	£2m per country
Registered providers and registered social landlords	£4m in total
Unsecured investments with building societies	£4m in total
Loans to unrated corporates	£1m in total
Money market funds	£5m in total
Real estate investment trusts	£5m in total
Note: These limits are for Treasury Management investments and does not include investments made for service or community purposes.	

## **6.18 Liquidity management**

The Council uses a cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

## **7.0 Treasury Management Indicators**

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

### **7.1 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.

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit rating	A-

## 7.2 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 3 month period, without additional borrowing.

<b>Liquidity risk indicator</b>	<b>Target</b>
Total cash available within 3 months	£2m

## 7.3 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 interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£128,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£128,000

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

## 7.4 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 borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>Upper limit</b>	<b>Lower limit</b>
Under 12 months	80%	0%
12 months and within 24 months	80%	0%
24 months and within 5 years	80%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

20 years and above	100%	0%
--------------------	------	----

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.

### 7.5 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 will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£10m	£10m	£10m

## 8.0 Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

### 8.1 Financial Derivatives

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

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

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

### 8.2 Markets in Financial Instruments Directive

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

## 9.0 Financial Implications

The budget for investment income in 2020/21 is £0.05m, based on an average investment portfolio of £10.0m at an interest rate of 0.5%. The budget for debt interest paid in 2020/21 is £1.42m, based on an average debt portfolio of £40.0m at an average interest rate of 3.5%. If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget will be correspondingly different.

## 10.0 Other Options Considered

The CIPFA Treasury Management Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Executive Councillor for Strategic Resources believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Alternative strategies, with their financial and risk management implications, are listed below.

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

Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain
---------------------------	--	--



### Arlingclose Economic & Interest Rate Forecast November 2019

#### Underlying assumptions:

- 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.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

#### Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.

- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	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	Average
<b>Official Bank Rate</b>														
<b>Upside risk</b>	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	<b>0.21</b>
<b>Arlingclose Central Case</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>
<b>Downside risk</b>	-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	<b>-0.73</b>
<b>3-month money market rate</b>														
<b>Upside risk</b>	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	<b>0.25</b>
<b>Arlingclose Central Case</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>
<b>Downside risk</b>	-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	<b>-0.73</b>
<b>1yr money market rate</b>														
<b>Upside risk</b>	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	<b>0.23</b>
<b>Arlingclose Central Case</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>
<b>Downside risk</b>	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	<b>-0.60</b>
<b>5yr gilt yield</b>														
<b>Upside risk</b>	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	<b>0.37</b>
<b>Arlingclose Central Case</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.55</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.57</b>
<b>Downside risk</b>	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	<b>-0.56</b>
<b>10yr gilt yield</b>														
<b>Upside risk</b>	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	<b>0.37</b>
<b>Arlingclose Central Case</b>	<b>0.75</b>	<b>0.75</b>	<b>0.80</b>	<b>0.80</b>	<b>0.85</b>	<b>0.85</b>	<b>0.90</b>	<b>0.90</b>	<b>0.95</b>	<b>0.95</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.88</b>
<b>Downside risk</b>	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	<b>-0.45</b>
<b>20yr gilt yield</b>														
<b>Upside risk</b>	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	<b>0.37</b>
<b>Arlingclose Central Case</b>	<b>1.20</b>	<b>1.20</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.40</b>	<b>1.40</b>	<b>1.30</b>
<b>Downside risk</b>	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	<b>-0.45</b>
<b>50yr gilt yield</b>														
<b>Upside risk</b>	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	<b>0.37</b>
<b>Arlingclose Central Case</b>	<b>1.20</b>	<b>1.20</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.40</b>	<b>1.40</b>	<b>1.30</b>
<b>Downside risk</b>	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	<b>-0.45</b>

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

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

### Local Context for Economic and Credit Environment

#### Economic Background

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, leisure) as well as receipts from business rates and council tax.

In addition restricted economic growth will increase financial strain on household which may result in increased demand for Council services such as benefits, homelessness, and housing services.

Inflationary pressures could start to effect council spending. As a result there could be pressure on some budgets where costs are rising. There will also be increased pressure in the MTFS to mitigate this pressure through changes in spending and income generation. The increase in Business Rates is set on the Bank of England's inflationary report August 2019, which indicates a forecasted rate of 2.4%, for the purposes of the MTFS 3% has been used.

In a positive labour market where there are few vacancies, the Council may find it harder to recruit suitably skilled staff.

#### Credit Outlook

The Council monitors credit ratings and credit default swaps, these are used to make decision about which institutions to invest with, based on the parameters set within the Treasury Management strategy

The council receives a monthly listing from its treasury management advisors (Arlingclose) showing the rates and durations for a range of financial institutions.

The Council's investments are in most of the short duration therefore, any adverse movements in credit ratings would be a signal to remove investments from those institutions.

The Council uses Natwest for its transactional banking, but keeps the investment balance held with Natwest to sufficient levels to meet operational needs.

#### Interest Rate Forecast

Increases in the Bank of England rate have pushed up other market rate e.g. Money Market Funds and deposit accounts rates. Whilst this is good news, interest rates are still at historically low levels, combined with the prediction that rates will rise slowly, total interest receipts will not increase significantly in the medium term.

## Existing Investment &amp; Debt Portfolio Position

	<b>31/12/19 Actual Portfolio £m</b>	<b>31/12/19 Average Rate %</b>
<b>External borrowing:</b>		
Public Works Loan Board	41.5	<b>3.0</b>
Local authorities	0	
Other loans	0	
<b>Total external borrowing</b>	<b>41.5</b>	
<b>Other long-term liabilities:</b>		
Finance Leases	0.5	n/a
<b>Total other long-term liabilities</b>	<b>0.5</b>	
<b>Total gross external debt</b>	<b>42.0</b>	
<b>Treasury investments:</b>		
Banks & building societies (unsecured)	7.8	0.34
Government (incl. local authorities)	3.0	0.5
Corporate bonds and loans	6.4	3.9
Money Market Funds	9.8	0.76
Pooled property fund	4.0	n/a
<b>Total treasury investments</b>	<b>31.0</b>	
<b>Net debt</b>	<b>11.0</b>	

## Capital Strategy 2020/21

### Contents

#### **1.0 Why is a Strategy Needed?**

1.1 Introduction

#### **2.0 Capital Expenditure and Financing**

2.1 Capital Expenditure

2.2 Governance

2.3 Asset management

2.4 Asset disposals

#### **3.0 Borrowing, debt and investments**

3.1 Treasury Management

3.2 Borrowing strategy

3.3 Liability benchmark

3.4 Affordable borrowing limit

3.5 Investment strategy

3.6 Governance

#### **4.0 Investments for Service Purposes**

4.1 Service Investments

4.2 Governance

#### **5.0 Commercial Activities**

5.1 Purpose of commercial activity

5.2 Governance

#### **6.0 Liabilities and guarantees**

6.1 Liabilities

6.2 Governance

#### **7.0 Revenue Budget Implications**

7.1 Minimum Revenue Provision

7.2 Sustainability

## **8.0 Knowledge and Skills**

### 8.1 Qualifications

## **Appendix A Risks Inherent in the Council's Investments in Commercial Property**

## 1.0 Why is a Strategy Needed?

### 1.1 Introduction

The capital strategy was a new report introduced for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

## 2.0 Capital Expenditure and Financing

### 2.1 Capital Expenditure

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The 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.

- For details of the Council's policy on capitalisation, see the Council's Code of Financial Management.

In 2020/21, the Council is planning capital expenditure of £16.6m as summarised below:

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

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
General Fund services	8.5	8.1	8.1	13.7	17.5
Capital investments	11.5	14.5	8.6	0	0
<b>TOTAL</b>	<b>20.0</b>	<b>22.6</b>	<b>16.6</b>	<b>13.7</b>	<b>17.5</b>

The main capital projects include Disabled Facilities Grants (£2.2m), Alms Close Industrial Unit Construction (£1.0m) and Oak Tree Centre (£1.0m).

### 2.2 Governance

Service managers bid annually in August to include projects in the Council's capital programme. Bids are collated by the Finance team who calculate the financing cost (which can be nil if the project is fully externally financed). The Finance and

Procurement Governance Board appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to the Senior Leadership Team. The final capital programme is then presented to Cabinet in January and to Council in February each year.

The capital project will be monitored through its lifecycle by the Project Management Governance Board (or its equivalent).

- For full details of the Council's capital programme, including the project appraisals undertaken, see here [Capital Bids](#)

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, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

*Table 2: Capital financing*

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
External sources	2.7	2.6	3.5	2.2	2.0
Own resources	2.7	2.7	1.0	0	0
Debt	7.8	16.7	7.0	9.0	12.7
<b>TOTAL</b>	<b>13.2</b>	<b>22</b>	<b>11.5</b>	<b>11.2</b>	<b>14.7</b>

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

*Table 3: Replacement of debt finance*

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
Own resources	2.0	2.4	2.3	2.5	2.8

- The Council's full minimum revenue provision statement is available as part of the MTFS report.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital



expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £9.7m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

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

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
General Fund services	42.9	47.9	50.1	59.1	71.9
Capital investments	14.7	26.5	34.0	34.0	34.0
<b>TOTAL CFR</b>	<b>57.6</b>	<b>74.4</b>	<b>84.1</b>	<b>93.1</b>	<b>105.9</b>

### 2.3 Asset management

To ensure that capital assets continue to be of long-term use, the Council has various strategies to manage assets held by services

### 2.4 Asset disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. 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 Council plans to receive £0.8m of capital receipts in the coming financial year as follows:

*Table 5: Capital receipts*

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
Asset sales	0.94	0.88	0.50	0.45	0.40
Loans repaid	0.31	0.32	0.32	0.32	0.32
<b>TOTAL</b>	<b>1.25</b>	<b>1.2</b>	<b>0.82</b>	<b>0.77</b>	<b>0.72</b>

### 3.0 Borrowing, debt and investments

#### 3.1 Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council currently has £40.1m borrowing at an average interest rate of 3% and £31.0m treasury investments at an average rate of 1.33%, short-term cash is at an average rate of 0.58%

#### 3.2 Borrowing strategy

The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 1.00%) and long-term fixed rate loans where the future cost is known but higher (currently 2.5 to 3.5%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, and leases are shown below, compared with the capital financing requirement (see above).

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

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
Debt (incl. PFI & leases)	28.7	40.0	39.4	38.7	38.3
Capital Financing Requirement	<b>57.6</b>	<b>74.4</b>	<b>84.1</b>	<b>93.1</b>	<b>105.9</b>

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

### 3.3 Liability benchmark

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to £5m at each year-end. This benchmark is currently £31.8m and is forecast to rise to £62.5m over the next three years.

*Table 7: Borrowing and the Liability Benchmark in £m*

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
Outstanding borrowing	28.7	40.0	39.4	38.7	38.3
Liability benchmark	14.9	31.8	40.9	49.6	62.5

The table shows that the Council expects to reduce its borrowing below its liability benchmark. However, funding of future year capital projects are still to be determined and are therefore not included.

### 3.4 Affordable borrowing limit

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

*Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	<b>2018/19 limit</b>	<b>2019/20 limit</b>	<b>2020/21 limit</b>	<b>2021/22 limit</b>
Authorised limit – General	78	80	80	80
Authorised limit – Loans	15	20	20	20
Authorised limit – CIS	30	35	35	35
<b>Authorised limit – total external debt</b>	<b>123</b>	<b>135</b>	<b>135</b>	<b>135</b>
Operational boundary – General	73	70	70	70
Authorised limit – Loans	15	15	15	15
Authorised limit – CIS	30	30	30	30
<b>Operational boundary – total external debt</b>	<b>118</b>	<b>115</b>	<b>115</b>	<b>115</b>

- Further details on borrowing are in detailed in the Treasury Management Strategy.

### 3.5 Investment strategy

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

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

*Table 8: Treasury management investments*

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/22 budget £m</b>
Near-term investments	3.5	20.1	15.8	13.1	5.7
Longer-term investments	10.0	10.0	10.0	10.0	10.0
<b>TOTAL</b>	<b>13.5</b>	<b>30.1</b>	<b>25.8</b>	<b>23.1</b>	<b>15.7</b>

- Further details on treasury investments are in the Council's Treasury Management Strategy 2020/21.

### 3.6 Governance

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Council. Half-yearly reports on treasury management activity are presented to Council. The Overview and Scrutiny Panel (Performance and Growth) is responsible for scrutinising treasury management decisions

## **4.0 Investments for Service Purposes**

### **4.1 Service Investments**

The Council makes investments to assist local public services, including making loans to local organisations. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break-even / generate a profit after all costs.

### **4.2 Governance**

Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the Treasury Management Strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are in pages in the Investment Strategy.

## **5.0 Commercial Activities**

### **5.1 Purpose of commercial activity**

With central government financial support for local public services declining, the Council invests in commercial property purely or mainly for financial gain. Total commercial investments are currently valued at £46.252m with the largest being Rowley Arts Centre in St Neots at £7.2m. The total portfolio provides a net yield (rental income/valuation) of 8.05%.

With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include see also Appendix A for further description and mitigation.

- Declining capital values risk
- Rising borrowing costs risk
- Illiquidity of assets risk
- Void risk
- Economic environment risk
- Regulatory risk
- Policy risk
- Resource risk

In order that commercial investments remain proportionate to the size of the authority, these are subject to a 6% gross yield and contingency plans are in place should expected yields not materialise.

## **5.2 Governance**

Decisions on commercial investments are made by the Responsible Financial Officer in line with the criteria and limits approved by Council in the Treasury Management Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on commercial investments and limits on their use are in the Investment Strategy
- Further details on the risk management of commercial investments are in the Investment Strategy

## **6.0 Liabilities and guarantees**

### **6.1 Liabilities**

In addition to debt of £40.1m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £242m). The Council has also set aside £1.6m to cover risks from NDR Appeals Provision. The Council is also at risk of having to pay for contingent liabilities (as at 31<sup>st</sup> March 2019), including Contaminated Land (£3.1m), NHS Trust (£2.0m) and Municipal Mutual Insurance Liquidation (£0.6m). The Council has not put aside any money because the requirement to pay will only materialise if a future event outside the control of the council occurs.

### **6.2 Governance**

Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Responsible Financial Officer. The risk of liabilities crystallising and requiring payment is monitored by Finance. New liabilities are reported to the Responsible Financial Officer for approval/notification as appropriate.

- Further details on liabilities are included in the 2018/19 statement of accounts (page 9) [Statement of Accounts 2018-19](#)

## **7.0 Revenue Budget Implications**

### **7.1 Minimum Revenue Provision**

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

*Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream*

	<b>2018/19 actual £m</b>	<b>2019/20 forecast £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>	<b>2022/23 budget £m</b>
Financing costs (£m)	2.734	3.426	3.943	4.237	4.687
Proportion of net revenue stream	16.24%	19.9%	22.3%	23.3%	25.3%

- Further details on the revenue implications of capital expenditure are set out in the 2020/21 revenue budget.

## **7.2 Sustainability**

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 35 years into the future. The Responsible Financial Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable, on the basis that;

- Services have been involved in the process to identify future capital requirements.
- Bids for capital expenditure have been scrutinised by the Finance and Procurement Governance Board (or its equivalent), including a presentation to the board.
- MRP has been calculated according to the approved policy.
- A business plan will need to be produced for each project before it commences.
- The capital project will be monitored by the Project Management Governance Board (or its equivalent).
- Capital receipt projections are prudent and based on historic experience.
- The costs of borrowing have been built into the budget and MTFs, along with due sensitivity analysis on the current and medium term costs of borrowing, these have been included in the s.25 statement within the 2020/21 Budget (and Medium Term Financial Strategy 2021/22 to 2024/25).

## **8.0 Knowledge and Skills**

### **8.1 Qualifications**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and

investment decisions. For example, the Finance Manager, is a qualified accountant with 25 years' experience, and the Estates Manager is a member of the Royal Institution of Chartered Surveyors. The Council can provide junior staff with funding to study relevant professional qualifications including CIPFA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers, and Barker Storey Matthews as property consultants and other consultants as specialist tasks are identified. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- Further details on staff training can be found in the Council's Workforce Strategy
- The Council has a guide for use of external advisors- The Professional Services Guide.



## Appendix A

### Risks inherent in the Council's investments in commercial property

	<b>Risk</b>	<b>Description of risk</b>	<b>Mitigation</b>
<b>A</b>	<b>Falling capital value</b>	Reduction in the market value of the property	<p>Commission regular condition surveys</p> <p>Ensure maintenance is carried out (including tenant repairs)</p> <p>Perform regular maintenance</p> <p>Plan capital improvements</p> <p>Monitor general market movements, if falling consider divestment of some of the portfolio</p> <p>Use active asset management including negotiation leases before terminations to maintain asset values</p>
<b>B</b>	<b>Rising borrowing costs</b>	Increase in the cost of servicing loan interest	Only use fixed rate borrowing (PWLB)
<b>C</b>	<b>Illiquidity of assets</b>	Assets cannot be sold in the short-term	<p>Keep sufficient funds in short-term investments</p> <p>Keep funds in the CCLA property fund, which is property based but is available to sell quicker than property</p> <p>Keep open channels to short-term borrowing</p> <p>Seek relationships with other local authorities that have surplus cash</p> <p>Maintain properties to make them more desirable if a sale is required</p>
<b>D</b>	<b>Void risk</b>	Empty properties reduce rental income	<p>Market empty properties on an active basis</p> <p>Keep close contact with tenants so their intentions are known</p>

			Monitor tenant covenant
<b>E</b>	<b>Economic environment risk</b>	General economic condition worsen leading to reduced demand for commercial properties	Diversify the portfolio geographically and by type (retail, commercial, industrial)
<b>F</b>	<b>Regulatory risks</b>	Changes to legislation or accounting regulations effect the operation of the CIS	Maintain awareness of the direction of Government and Treasury policies.  Influence policy direction through nation groups, e.g. CIPFA, LGA, s151.  Respond to consultations on relevant regulation changes
<b>G</b>	<b>Policy risks</b>	Changes to council priorities lead to lack of corporate support for the CIS	Influence corporate policy through officer forums Maintain relationships with political leadership  Market the CIS internally to ensure the strategy is understood  Integrate the CIS income streams into the budget
<b>H</b>	<b>Resource risk</b>	Lack of resource in terms of skills and time	Pay market salaries to recruit and retain the people with the right skills and experience  Provide training to keep skills up to date  Have sufficient budget to buy in professional skills and advice when required  Provide member commercial investment training

## Investment Strategy 2020/21

### Contents

- 1.0 Introduction**
- 2.0 Treasury Management Investments**
  - 2.1 Contribution
  - 2.2 Further Details
- 3.0 Service Investments: Loans**
  - 3.1 Contribution
  - 3.2 Security
  - 3.3 Risk Assessment
- 4.0 Service Investments: Shares**
  - 4.1 Contribution
  - 4.2 Security
  - 4.3 Risk Assessment
  - 4.4 Liquidity
  - 4.5 Non-Specified Investments
- 5.0 Commercial Investments: Property**
  - 5.1 Contribution
  - 5.2 Security
  - 5.3 Risk Assessment
  - 5.4 Liquidity
- 6.0 Loan Commitments and Financial Guarantees**
- 7.0 Proportionality**
- 8.0 Borrowing In Advance of Need**
- 9.0 Capacity, Skills and Culture**
  - 9.1 Elected Members and Statutory Officers
  - 9.2 Commercial Deals
  - 9.3 Corporate Governance

## **10.0 Investment Indicators**

- 10.1 Total Risk Exposure
- 10.2 How Investments are Funded
- 10.3 Rate of Return Received

## 1.0 Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy is a new report for 2020/21, meeting the requirements of statutory guidance issued by the government in January 2019, and focuses on the second and third of these categories.

## 2.0 Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £2.5m and £31.0m during the 2020/21 financial year.

### 2.1 Contribution

The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

### 2.2 Further Details

Full details of the Authority's policies and its plan for 2020/21 for treasury management investments are covered in a separate document, the treasury management strategy.

## 3.0 Service Investments: Loans

### 3.1 Contribution

The Council lends money to its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

Luminus – Together with Cambridgeshire County Council and health partners a need has been identified for extra care for older people in St Ives. A loan was provided to Luminus to develop a new health care scheme for frail older people at Langley Court, St Ives; which consists of 55 1 and 2 bedroom flats.

Cambridge Regional College (formerly Huntingdonshire Regional College) – A loan was provided to CRC for the redevelopment of their campus. It will ensure students are able to access quality courses and facilities; it will also be financially beneficial to both the Council and College.

Huntingdon Gymnastics Club – A loan was provided to Huntingdon Gymnasium Club to fund building a second gymnasium. At its current capacity they were not able to meet demand. The club considered the expansion of the facility at Huntingdon will serve the community as a whole and consolidate the reputation of Huntingdon Gymnastics Club as a centre of excellence.

Urban and Civic Loan – A loan was provided to Urban and Civic to fast forward the construction of Incubator II on the Enterprise Zone at Alconbury.

### 3.2 Security

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

*Table 1: Loans for service purposes in £'000*

Borrower	31.3.2019 actual			2020/21
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Luminus	4,917	0	4,917	Limit not split across categories
Cambridge Regional College	582	0	582	
Huntingdon Town Council	800	0	800	
Huntingdon Gymnastics Club	26	0	26	
Urban and Civic	1,984	0	1,984	
Improvement Loans	530	0	530	
Employee Loans	54	0	54	
Rental Deposits	173	0	173	
<b>TOTAL</b>	<b>9,066</b>	<b>0</b>	<b>9,066</b>	

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

### **3.3 Risk assessment**

The Authority assesses the risk of loss before entering into and whilst holding service loans by:

1. A robust acquisition due diligence process and subsequent approvals
2. Liability management (reviews of debt levels and terms)
3. Borrower (financial exposures, potential defaults, changing business plans, credit rating)
4. Delivery partners (suitability, performance levels and financial stability)
5. Market factors (with periodic advice from appropriate professionals)
6. State Aid considerations
7. Professional advisors

The Dun and Bradstreet Credit Reporter are used to provide credit reports on the borrowers. The reports provide the following:

- Risk Assessment
- Trade Payments
- Legal Events
- Corporate Linkage
- Company Profile
- Financials
- Registry Info

The credit reports have a tracking feature which notifies the Council regarding any updates on a borrower's credit. Other sources such as Companies House and news sites provide the Authority with extra information to assess and monitor risk.

## **4.0 Service Investments: Shares**

### **4.1 Contribution**

The Council will invest in the shares of its subsidiaries, to support local public services and stimulate local economic growth. The Council will be the sole shareholder of its subsidiary HDC Ventures Limited. The purpose of HDC Ventures is to enable the Council to participate in commercial trading activities.

## 4.2 Security

One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows.

*Table 2: Shares held for service purposes in £'000*

Category of company	31.3.2019 actual			2020/21
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	100	0	100	1,000
<b>TOTAL</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>1,000</b>

## 4.3 Risk assessment

The risk will be assessed as the company matures and contracts are developed.

## 4.4 Liquidity

Each investment will be considered by Cabinet and the maximum period set will be on a case by case basis.

## 4.5 Non-specified Investments

Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

## 5.0 Commercial Investments: Property

MHCLG defines property to be an investment if it is held primarily or partially to generate a profit.

### 5.1 Contribution

The Council faces considerable financial challenges over the medium term. To achieve financial sustainability, the Commercial Investment Strategy was approved. The Council invests in local and regional UK commercial property with the intention of income generation which will help fund public services. Over the last 3 years the Council has bought properties in Huntingdon, Wilbury, Sudbury and Fareham and St Neots.



Table 3: Property held for investment purposes in £'000

Property	Actual	31.3.2019 actual		31.3.2020 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Existing Portfolio	20,113	764	20,877	0	20,877
2 Stonehill	1,300	350	1,650	0	1,650
80 Wilbury Way	2,185	(110)	2,075	0	2,075
Shawlands Retail Park	6,500	(500)	6,000	0	6,500
1400 & 1500 Parkway	5,425	(225)	5,200	0	5,200
Units 21a, 21b,23a,b,c Little End Road, St Neots	3,200	0	3,200	0	3,200
Rowley Arts Centre, St Neots	7,200	0	7,200	0	7,200
Tri-link, Wakefield	0	0	0	0	14,678
<b>TOTAL</b>	<b>45,923</b>	<b>279</b>	<b>46,202</b>	<b>0</b>	<b>61,380</b>

## 5.2 Security

In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase price.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2019/20 year end accounts preparation and audit process value these properties below their purchase cost, then this may result in MRP being charged.

## 5.3 Risk assessment

The Authority assesses the risk of loss before entering into and whilst holding property investments. The strategic objectives of the Commercial Investment Strategy are designed to mitigate risk by:

- Having the fundamental aim of an income rather than capital return (although the latter is part of the strategy)

- Adopting a portfolio approach so as to avoid concentration of risk in any one property, tenant or risk type

In addition, CIS risk will be managed having regard to the following factors:

1. A robust acquisition due diligence process and subsequent approvals
2. Asset management plans and on-going reviews
3. Liability management (reviews of debt levels and terms)
4. Tenants (financial exposures, potential defaults, changing business plans, credit rating)
5. Portfolio factors including occupancy levels, operating costs.
6. Delivery partners (suitability, performance levels and financial stability)
7. Market factors (with periodic advice from appropriate professionals)
8. State Aid considerations
9. Professional advisors

External advisors are used when appropriate e.g. to undertake independent valuations prior to acquisition, asset valuation or when there is a lack of expertise in-house regarding an industry.

The Dun and Bradstreet Credit Reporter are used to provide credit reports on the tenants. The reports provide the following:

- Risk Assessment
- Trade Payments
- Legal Events
- Corporate Linkage
- Company Profile
- Financials
- Registry Info

The credit reports have a tracking feature which notifies the Council regarding any updates on a tenant's credit. Other sources such as Companies House and news sites provide the Authority with extra information to assess and monitor risk.

#### **5.4 Liquidity**

Compared with other investment types, property is relatively difficult to sell and convert to cash at very short notice. To ensure that the invested funds can be accessed or liquidated the Council will review investments regularly to ensure rental income is maximised (through rent reviews and lease renewals) and undertake asset management (re-letting, repairs, improvements etc) to ensure any proceeds from sale are maximised if assets are liquidated. Regular review of the property investment market will identify potential changes in market conditions and identify optimum opportunities to sell assets.

## 6.0 Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority. At this moment in time the Council doesn't have any financial guarantees.

## 7.0 Proportionality

The Authority is dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 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 4: Proportionality of Investments in £'000*

	<b>2018/19 Actual</b>	<b>2019/20 Forecast (August)</b>	<b>2020/21 Budget</b>	<b>2021/22 Budget</b>	<b>2022/23 Budget</b>
Gross service expenditure	78,782	69,959	72,303	69,710	58,836
Investment income	2,355	4,511	5,654	5,290	5,345
Proportion	2.98%	6.64%	7.82%	7.59%	9.1%

## 8.0 Borrowing in Advance of Need

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

The Authority has chosen not to follow this guidance and has previously borrowed to invest in commercial property, and may continue to do so in the future. Despite reduced central government funding, the Council still wants to provide a cost effective service to the district. By using the income streams from its property investments it is able to do this. The risks of commercial investment are satisfactorily managed by precautions outlined within the commercial investment strategy, and this strategy. Also The Capital Strategy includes as an Appendix (Capital Strategy Appendix A) a list of the risks and mitigations of commercial investments.

Loans financing CIS purchases are required to be directly linked to the commercial investment strategy asset and the link can only be broken by a specific decision of full council. The asset is valued on an annual basis, if it is established that the value of the asset is less than the loan, then a minimum revenue provision payment will be required. The payment will continue until the asset value is greater than the loan. The risks of commercial investment are satisfactorily managed by precautions outlined within the commercial investment strategy.

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

### **9.1 Elected members and statutory officers**

Through quarterly formal Treasury and Capital Management Group meetings, members are provided with updates on:

- The property investment market.
- Performance of current property assets – income growth, capital values, voids and debt.
- Review of investment opportunities investigated.
- Analysis of the investment portfolio by value, location, and property type.

More informal and regular updates are provided on the progress of individual key transactions, opportunities and market changes.

Key staff are appropriately professionally qualified, maintain annual CPD and maintain professional networks with other investors and advisors.

### **9.2 Commercial Deals**

The Commercial Estates and Finance teams are co-located and work closely to ensure the core principles of the prudential framework are maintained, co-authoring guidance notes and reviewing any revision to published guidelines.

### **9.3 Corporate governance**

The Commercial Investment Strategy has published delegated authority levels and process for investment decisions, these are adhered to.

The Treasury and Capital Management Group are consulted early on any investment opportunities and provided with regular progress reports in addition to formal approval reports and a further report on due diligence findings prior to formal commitments. A report to Cabinet in relation to the purchase is made before the deal is finally completed.

## 10.0 Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

### 10.1 Total risk exposure

The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £'000

<b>Total investment exposure</b>	<b>31.03.2019 Actual</b>	<b>31.03.2020 Forecast</b>	<b>31.03.2021 Forecast</b>
Treasury management investments	7,887	5,000	5,000
Service investments: Loans	9,066	9,066	9,066
Service investments: Shares	100	100	100
Commercial investments: Property	46,202	61,380	69,880
<b>TOTAL INVESTMENTS</b>	<b>63,255</b>	<b>75,546</b>	<b>84,046</b>
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
<b>TOTAL EXPOSURE</b>	<b>63,255</b>	<b>75,546</b>	<b>84,046</b>

### 10.2 How investments are funded

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

Table 6: Investments funded by borrowing in £'000

Investments funded by borrowing	31.03.2019 Actual	31.03.2020 Forecast	31.03.2021 Forecast
Treasury management investments	0	0	0
Service investments: Loans	7,029	6,629	6,229
Service investments: Shares	0	0	0
Commercial investments: Property	12,292	24,255	30,788
<b>TOTAL FUNDED BY BORROWING</b>	<b>19,321</b>	<b>30,884</b>	<b>37,017</b>

### 10.3 Rate of return received

This indicator compares the investment income received to the purchase price of the investment. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment yield (net of all costs)

Investments yield	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Treasury management investments	0.5%	0.5%	0.5%
Service investments: Loans	3.97%	3.89%	3.89%
Service investments: Shares	0%	0%	0%
Commercial investments: Property	9.7%	9.2%	7.5%
<b>ALL INVESTMENTS</b>	<b>4.2%</b>	<b>4.7%</b>	<b>4.6%</b>

Table 8: Other investment indicators

Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
<i>Interest Cover Ratio</i>	2.95	3.02	3.2
<i>Loan to Value Ratio</i>	94.1%	91.7%	92.2%
<i>Gross Rent Multiplier</i>	13.7	13.8	13.8
<i>Rent Yield</i>	8.2%	8.1%	8.1%
<i>Return on Equity</i>	7.6%	7.7%	7.5%



This page is intentionally left blank



**MINIMUM REVENUE PROVISION STATEMENT 2020/21****1.0 Introduction**

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2003, Councils, are expected to make a prudent provision. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
- 1.2 The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.3 The MHCLG Guidance requires the Council to approve an Annual MRP Statement, and recommends a number of options for calculating a prudent amount of MRP.
- 1.4 The Council has a number of MRP policies reflecting the range of capital financing options required for different service scenarios.

**2.0 MRP Policy - General**

- 2.1 The following statement incorporates options recommended in the Guidance;
- 2.2 The actual Policy is:
- i. For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets as the principal repayment on an annuity with an annual interest rate based on long-term borrowing rates, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
  - ii. For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
  - iii. In respect of:
    - capital assets; MRP will be chargeable in the year following the agreement of any final account.
    - other capital investments; MRP will be chargeable in the following financial year.

### **3.0 MRP Policy - Loans to Organisations**

3.1 The aim of the policy is to facilitate the provision of finance (for asset creation purposes) to organisations, with the Council sourcing the finance from third parties, but to ensure that the incidence of debt finance is directly neutralized within the Councils balance sheet.

3.2 The actual policy is:

Where loans are made to other bodies for their capital expenditure, and the principal repayments are received at least on an annual basis, no MRP will be charged, because the loan repayments will be applied to the CAA, so reducing the CFR in the same manner as MRP.

If principal repayments are not being made then MRP will be charged.

### **4.0 MRP Policy – Financing Expenditure with Annuity Loans**

4.1 This Policy was originally approved on 22<sup>nd</sup> February 2016 and has been amended for 2018/19. The aim of this policy is to determine the neutralization of MRP when Annuity Loans are used to finance CIS asset, and investments.

4.2 The actual policy is:

For each capital investment undertaken under the requirements of the Council's Commercial Investment Strategy, where it has been decided that an Annuity Loan is advantageous, MRP will be made that is equal to the principal repayment for any loan finance supporting the investment.

### **5.0 MRP Policy – Financing Expenditure with Maturity Loans**

5.1 Maturity Loans are similar to interest only mortgages, in that only interest is paid during the life of the loan with the loan principal being repaid at the end of the term (by either the Council taking out a further loan or selling the asset and repaying the loan from the capital receipt; with a possible net capital gain). To undertake such financing, a new MRP Policy would be required that included some specific safeguards to ensure that the use of capital finance remained prudent.

5.2 However, the advantage of Maturity Loans for the Council is that over the life of the loan, the net benefit from the ongoing income stream would be greater as the Council would only have to repay interest on an annual basis and not meet annual principal repayments.

5.3 Any new MRP Policy to support this activity must ensure that the principles of prudence are adhered to. The principles, are noted in "i to ii" below:

- i. The CIS or housing asset would be required to be directly linked to the loan finance; this could be agreed retrospectively by Cabinet following acquisition. However, the link could only be broken by a specific decision of Full Council. The Councils Constitution would be required to be changed to reflect this.
- ii. The CIS or housing asset is valued on an annual basis, in line with the Councils Accounting Policy for Investment Assets. If it is established that the value of the asset is less than the loan, then an MRP payment will be required, based on an Annuity Loan, and the MRP payment will continue to be charged until the Asset Value is greater than the loan.

5.4 The actual policy is:

For each capital investment undertaken under the requirements of the Councils Commercial Investment Strategy, where it has been decided that a Maturity Loan is advantageous, no Minimum Revenue Provision shall be made providing that:

- i. The capital investment is directly linked to the Maturity Loan, with the stated intention that at loan maturity the asset is sold or replacement finance is provided.
- ii. Cabinet will record the decision in (i) above (this may be done retrospectively i.e. after an acquisition). The link between Asset and Loan can only be broken by a decision of Full Council.
- iii. There is annual revaluation of the CIS or housing investment in line with the Councils Accounting Policy in respect of Investment Assets. If it is established that an asset has a value less than the loan then an annual MRP amount will be calculated, based on Annuity basis and continue to be charged until the value of the asset is greater than the loan.
- iv. Even where the asset value exceeds the loan value the Council may decide to make a voluntary MRP.

This page is intentionally left blank

### Flexible Use of Capital Receipts Strategy

#### 1.0 Introduction

As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of service reform and transformation. Guidance on the use of this flexibility was issued in March 2016 which applies to the financial years 2016/17 through to 2019/20. The Secretary of State has recently announced that this flexibility would be extended in to future years

#### 2.0 The Guidance

The guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specified that;

- Local authorities will only be able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use their existing stock of capital receipts to finance the revenue costs of reform.
- Local authorities cannot borrow to finance the revenue costs of the service reforms.
- The expenditure for which the flexibility can be applied should be the up-front (set up or implementation) costs that will generate future ongoing savings and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.
- The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
- In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice.
- The Council is also required to prepare a "Flexible use of capital receipts strategy" before the start of the year to be approved by Council which can be part of budget report to Council.

The guidance sets out examples of qualifying expenditure which includes;

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others);
- Integrating public facing services across two or more public sector bodies (for example children’s social care, trading standards) to generate savings or to transform service delivery.

### **3.0 The Council’s Proposals**

The Council intends to use flexibility over capital receipts to support the following transformational projects:

**The Council currently has no plans to use capital receipts, if circumstances change then a revised strategy will be produced and approved.**

## Overview and Scrutiny (O&S) Work Programme 2019/2020

### Active Studies

#### O&S (Customers and Partnerships)

O&S (Customers and Partnerships)	Summary of Scope	Advisors	Progress	Interim Reporting Date
<p><b>Lifelong Health – Part Two</b></p> <p>Identify ways in which the Council can improve the lifelong health of residents. Identify the benefits of a whole system approach for the Council.</p>	<ul style="list-style-type: none"> <li>• Identify ways of developing better health outcomes.</li> <li>• Discuss with the CCG and Public Health in order to establish if collaboration between the Council, the CCG and Public Health is worthwhile.</li> </ul>	<p>CCG CCC Public Health 'Friends of the Rec' Jayne Wisely Cllr J Palmer Cllr Mrs J Tavener</p>	<p>12th September 2019 – The Panel received the final report of Part One and agreed to continue the study under the guise of 'Part Two'.</p> <p>14th October 2019 – The Task and Finish Group met with Liz Robin, Public Health.</p> <p>10th December 2019 – Following the presentation of the Part One report to Cabinet and the meeting with the Director of Public Health, the Task and Finish Group met to refocus the scope of the study. The study will now focus primarily on collaboration with Parish &amp; Town Councils and community groups in order to improve residents' physical activity and well-being.</p> <p>13th January 2020 – The Task and Finish Group received a presentation from Active Lifestyles and assessed the interaction the service has with Parish &amp; Town Councils and community groups.</p> <p>28th January 2020 – Members are to discuss with Alyce Barber, Community Development Officer, her work with projects that helps build social contact, builds support networks and addresses mental health issues. Members will also discuss the evidence that links an individual's mental health with physical health.</p>	<p><b>04/06/2020</b></p>

O&S (Customers and Partnerships)	Summary of Scope	Advisors	Progress	Interim Reporting Date
<b>Environmental Enforcement</b>	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>		9th January 2020 – The Panel agreed to establish a task and finish group comprised of the following Members: Councillors T D Alban, B S Banks, Mrs A Diaz, D A Giles and Mrs J Tavener.	<b>TBC</b>

#### O&S (Performance and Growth)

O&S (Performance and Growth)	Summary of Scope	Advisors	Progress	Interim Reporting Date
<b>Wider Economic Environment</b>	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>		<p>During a discussion on the work programme at their meeting in October 2019, the Panel decided to review the topic Wider Economic Environment and identify potential areas of study.</p> <p>The Democratic Services Officer (Scrutiny) has been prepared an Options Paper. Once the paper has been finalised by Senior Officers it will be presented to Overview and Scrutiny.</p>	<b>04/03/2020</b>



## Prospective Future Studies

### O&S (Customers and Partnerships)

O&S (Customers and Partnerships) idea	Objective test ideas	Advisor potential	Suggested Scope	Progress
<b>Health</b> – What are the issues facing the young and elderly populations of Huntingdonshire. How can HDC, either with partners or on its own initiative, assist with the health and well-being of residents in the District.	1. Reducing isolation - reducing age-specific dependency rates by 1 per cent per year would reduce public expenditure by £940m per year by 2031 - reducing the rate of institutionalisation by 1 per cent a year could save £3.8bn.	Age UK	Identifying opportunities (particularly technology) to deliver key activities identified by Age UK, to address isolation: <ul style="list-style-type: none"> <li>- Creating a new social link</li> <li>- Developing wider social networks</li> <li>- Meeting like-minded people through clubs and groups</li> <li>- Meeting people with similar needs and supporting each other</li> <li>- Using local services and facilities</li> <li>- Changing social attitudes so that users become accepted and valued as full members of the community in their own right.</li> </ul>	Dependent upon outcome of bid for inclusion in CCC digital services programme – Spring 2018
	2. Improving mental health Contributes to addressing: <ul style="list-style-type: none"> <li>- Worklessness</li> <li>- Homelessness</li> <li>- Poor health outcomes</li> <li>- Self-reliance</li> </ul>	CCG	<ul style="list-style-type: none"> <li>- Quantifying the cost and impacts of isolation</li> <li>- Recommendations for our services to address</li> <li>- Designing communities for the future</li> </ul>	
	3. Reducing hospital admissions in over 65's	Sports England/Active Lifestyles/CCG	Identifying non health interventions that can support mental health – e.g. social referral, links to community activities, volunteering activities. <ul style="list-style-type: none"> <li>- Opportunities to improve impact of DFG's?</li> <li>- Assisted collections. Investigate if having an assisted collection is an indicator that a resident may require a DFG.</li> </ul>	

O&S (Customers and Partnerships) idea	Objective test ideas	Advisor potential	Suggested Scope	Progress
<b>Homelessness</b> – Investigating the links between homelessness and housing supply. Finding triggers for homelessness. Discovering options and opportunities to reduce homelessness in Huntingdonshire.	1. Increase supply of affordable property.	Development Advisor	<ul style="list-style-type: none"> <li>- Closer partnership working with health</li> <li>- Establishing greater community resilience</li> </ul>	
	2. Reduce number of homelessness presentations.	Jon Collen / Helen Brown	<ul style="list-style-type: none"> <li>- Engagement with Places for People/Luminus</li> </ul>	
	3. Increase number of homelessness preventions – solutions that prevent people losing their home	Jon Collen	<ul style="list-style-type: none"> <li>- Working with Private Sector landlords to understand reasons behind end of AST and incentives to address</li> <li>- Looking to develop options to incentivise Private landlords to take social tenants.</li> <li>- Strategies around use of HMOs</li> <li>- Testing effectiveness of Trailblazer</li> <li>- Testing Homelessness pilot work</li> <li>- Looking at opportunities for partners to signpost and intervene</li> <li>- Taking evidence from best practice providers elsewhere</li> </ul>	
	4. Increase number of empty properties brought back into use		<ul style="list-style-type: none"> <li>- Working with Registered Providers to maximise housing stock utilisation and fit</li> </ul>	
<b>Environment</b> – What are the environmental (and lifestyle) quality issues facing Huntingdonshire,	1. Reducing air pollution	Chris Stopford	<ul style="list-style-type: none"> <li>- Transport options</li> <li>- Natural environment – exploring opportunities to enhance HDC country parks (Hinchbrook / Paxton Pits)</li> </ul>	
	2. Reducing long term flood issues	Environment Agency	<ul style="list-style-type: none"> <li>- Role of Great Fen as a regionally significant habitat / tourism destination</li> </ul>	

O&S (Customers and Partnerships) idea	Objective test ideas	Advisor potential	Suggested Scope	Progress
	3. The community role in grounds maintenance and cleansing	Neil Sloper	- A14 and Cam Ox corridor – actively influencing Govt and key transport agencies on investment pipeline and funding options - Exploring the options and Council/communities appetite for scalable growth linked to new infrastructure and 'healthy places' with sustainable living choices	
	4. Definition of 'Place' and 'People' vision for Huntingdonshire		- Role of Neighbourhood Plans and Market Town Master Plans in promoting and directing employment and housing growth - Influencing long term utility provision – water/power	

#### O&S (Performance and Growth)

O&S (Performance and Growth)	Objective test ideas	Advisor potential	Suggested Scope	Progress
<b>Housing</b> – Increasing quality of housing developments and increasing supply of Affordable/Social housing – specifically in the villages.	1. Increase in the number of affordable houses built in the District – positively impacting on the quality of developments	Andy Moffat Cllr Corney (a builder by trade)/ Developers	- Review the effectiveness of rural exception sites and 60/40 policy - Explore viability assessment mechanisms to ensure proper value is created form development sites - Review of CIL charging regime and utilisation of funds	
	2. Reduce voids of all types, inc empty homes and RP turnaround times	Homes England	- Relationships with RPs (Registered Providers) and options to increase pace and tenure type of supply plans	
	3. Increase the availability of social housing	Registered Providers	- Utilisation of HDC non-operational land assets to increase supply and generate	

O&S (Performance and Growth)	Objective test ideas	Advisor potential	Suggested Scope	Progress
<b>Wider Economic Environment</b> – How to best position Huntingdonshire as an attractive place to do business	4. Reduce Council spend on Homelessness	Andy Moffat / Clive Mason	system savings (eg reduction in B&B spend. - Improving infrastructure on developments to enhance liveability, including digital, environmental – flooding etc, energy use, health land and space for wildlife. Supporting positive transport choices, and community self-reliance.	
	5. Enhanced infrastructure and liveability on developments		- Creation of an Investment prospectus for Huntingdonshire - Input into a Local Industrial Strategy - Digital infrastructure and Connected Cambridgeshire roll-out across market towns	
	1. A Local Industrial Strategy for Cambridgeshire within which Huntingdonshire is prominent	CA Business Board / Company CEOs – reasons for locations choices and future workforce aspirations	- Better Business for All pilot initiative matching regulatory services to advice and promotion	
	2. GVA (Gross Value Added) net increase		- Roads and rail infrastructure investment deal with Govt / CA	
	3. Increase in business rates receipts and invest to accumulate utilisation thereof (subject to Govt regs)		- Business rates retention and utilisation of AW Enterprise Zone NNRD receipts	
4. Increase average earnings and percentage earnings derived in Huntingdonshire/Cambri dgeshire	- Role of strategic sites such as Alconbury Weald in delivering floor space and clusters			
5. Opportunities to enhance the Councils industrial portfolio and Corporate Investment Strategy in facilitating,	- Sector analysis - what are the indicators of existing success and productivity. Sectors to nurture and attract.			
			- Understanding locational advantages of Huntingdonshire and investment decisions of business leaders to stay/relocate here.	
			- Scope and mechanisms for HDC interventions in infrastructure/redevelopment programmes	

O&S (Performance and Growth)	Objective test ideas	Advisor potential	Suggested Scope	Progress
<p><b>Skills</b> - Increase in educational attainment, and achievement of key skills.</p>	<p>retaining and securing new business opportunities</p> <p>A package of 'Deals':</p> <ul style="list-style-type: none"> <li>- HDC &amp; Govt/CA</li> <li>- HDC and Local Councils</li> <li>- HDC and communities</li> <li>- An increase in key skill areas.</li> <li>- An increase in educational attainment.</li> </ul>	<p>Andy Moffat John T Hill - CPCA</p> <p>CA Business Board / Company CEOs – reasons for locations choices and future workforce aspiration</p>	<ul style="list-style-type: none"> <li>• Combined Authority strategy impacts, particularly advancing recommendations from CPIER.</li> <li>• Alignment to future skills and sectoral demand identified through EMSI study.</li> <li>• Role of EDGE programme and wider Combined Authority skills and business support advisory services.</li> <li>• Relationship to CPBS 'Grand Challenges' outcomes.</li> </ul>	

## Closed Studies

### O&S (Customers and Partnerships)

O&S (Customers and Partnerships)	Summary of Scope	Advisors	Progress	Outcome
<p><b>Lifelong Health – Part One</b></p> <p>Identify ways in which the Council can improve the lifelong health of residents.</p> <p>Identify the benefits of a whole system approach for the Council.</p>	<ul style="list-style-type: none"> <li>Identify what the main health issues facing the residents of Huntingdonshire are (and if there are any problem areas).</li> <li>To discover what leisure activities/provision residents enjoy and/or want.</li> <li>Identify what leisure provision/facilities are most effective. (Investment shouldn't be made in a particular facility if the benefits are minimal.)</li> <li>Discuss with the CCG in order to establish if collaboration between the Council and the CCG is worthwhile.</li> </ul>	<p>CCG CCC Public Health Jayne Wisely Cllr J Palmer Cllr Mrs J Taverer</p>	<p>10th January 2019 – The Task and Finish (T&amp;F) Group met and reviewed the scoping document. Based on the Group's discussion the scoping document is being revised. The revised scoping document will be presented to the Group at their next meeting for approval.</p> <p>7th February 2019 – The T&amp;F Group met and agreed the scoping document. Members planned out the next steps of work and agreed to focus on collaboration with Parish Councils.</p> <p>20th March 2019 – Members visited Little Paxton Parish Council to view their physical activity equipment and learn how they engage with the community. Members had a further meeting on 4th April to discuss key learning points of the visit.</p> <p>8th July 2019 – The T&amp;F Group visited Yaxley Parish Council and discovered what leisure facilities there are and how they engage with the community.</p> <p>31st July 2019 – Members met to discuss their findings, agree the content of the final report and discuss future work programming.</p> <p>12th September 2019 – The Panel received a final report which outlined the Group's recommendations and proposed timetable for future study work.</p>	<p><b>Members agreed the recommendations within the report and agreed to conduct further study under 'Part Two'.</b></p> <p><b>The report was presented to Cabinet for comment in October 2019.</b></p>

O&S (Customers and Partnerships)	Summary of Scope	Advisors	Progress	Outcome
<b>Tree Strategy Working Group</b>  Membership <ul style="list-style-type: none"> <li>• Cllr Mrs J Tavener (Lead)</li> <li>• Cllr B Banks</li> <li>• Cllr J W Davies</li> </ul>	At the O&S Panel (Communities and Environment) meeting in September 2017, Members agreed to establish a working group with the aim of refreshing the Tree Strategy and scrutinising the Action Plan.	Andy Moffat Tamsin Miles Adrian Sargeant	5th September 2017 – O&S Panel (Communities and Environment) established the Tree Strategy Working Group.  6th February 2018 – Councillor Mrs J Tavener updated Members on the progress of the Working Group.  12th July 2018 – The Panel received an update from Councillor Mrs J Tavener.  February 2019 – The Arboricultural Officer (Planning) and the Arboricultural Officer (Operations) began liaising with the Working Group in order to review and update the Council’s Tree Strategy.  3rd October 2019 – The final report was presented to O&S. In addition, the Arboricultural Officer (Planning) gave a presentation on the next steps of the Tree Strategy Revision.	<b>The Tree Strategy Working Group was dissolved. A revised Tree Strategy will be presented to O&amp;S in March 2020.</b>

## O&S (Performance and Growth)

O&S (Performance and Growth)	Summary of Scope	Advisors	Progress	Outcome
<p><b>Delivery of Affordable Housing</b> (Accelerating the delivery of Affordable Housing across Huntingdonshire communities primarily through Rural Exception Site mechanisms)</p> <p>• Increase in the number of affordable houses built in the District – positively impacting on the quality of developments.</p>	<ul style="list-style-type: none"> <li>To explore methods that maximise the effectiveness of the Council's approach to achieving additional affordable housing provision beyond allocated sites.</li> <li>To advise on a strategic programme and range of mechanisms to promote and secure rural exception sites (RES) appropriate to settlement scale and need across the District.</li> <li>To explore how RES sites can best be promoted locally, including the role of Ward Members and Parish /Town Councils.</li> </ul>	<p>Andy Moffat</p> <p>Cllr Corney (a builder by trade)/Developers</p>	<p>8th January 2019 – The Panel reviewed and agreed the scoping document.</p> <p>12th February 2019 – The Task and Finish Group met and reminded themselves of the scoping document. Members also discussed the documents presented to them and considered them when planning future work.</p> <p>12th March 2019 – Mark Deas, Cambridgeshire ACRE, was in attendance to discuss the work of the organisation and the mechanism of Rural Exception Sites (RES). Members are keen to discuss with Housing Associations their development plans for Huntingdonshire.</p> <p>23rd April 2019 – Mark Hanson, Cross Keys Homes and Ian Jackson, Longhurst were in attendance to discuss RES and opportunities to accelerate the supply of affordable housing.</p> <p>30th April 2019 – Nigel Finney and John Walton of Luminus were in attendance to discuss ways that HDC and Luminus could accelerate the delivery of affordable housing in Huntingdonshire.</p> <p>1st October 2019 – The final report was presented to O&amp;S.</p>	<p><b>The report was presented to Cabinet for comment in October 2019.</b></p>